

Formalization of Informal Marketplaces

- A case study of the *Xikhelene* market, Maputo, Mozambique



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Master Thesis in Human Geography
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May, 2010

The photo at the front page was taken by Nathan Went, August 2009. It shows the Praça dos Combatentes during the reconstruction. Behind the observers in the foreground, one may glimpse the roadwork for the prolongation of the Avenida das FPLM. The crowd in the background are Xikhelene vendors who remained at the place after the demolition of their market stalls.

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Table of contents

Abbreviations	9
Non-English words frequently used in the thesis.....	10
1 Introduction and research questions.....	11
Informality and formalization.....	11
The research questions.....	13
The theory.....	14
The case	14
The research method	16
The structure of the thesis.....	16
Map of Maputo.....	18
Map of Mozambique.....	19
Map of Praça dos Combatentes during reconstruction 2009.....	19
2 Research-design and process.....	20
2.1 Implications of a normative approach.....	20
2.2 Searching for information about the Xikhelene.....	22
2.2.1 The interview-process.....	23
2.2.2 Other sources: Observation and document-analysis	33
2.3 Usefulness of the data.....	35
2.4 Method of analysis.....	35
3 Theoretical Framework.....	37
3.1 Perspectives on informality.....	37
3.1.1 Early approaches	37
3.1.2 Current approaches: the legalist approach and the informalization approach	38
3.1.3 Some approaches on formalization.....	42
3.1.4 Summary.....	44
3.2 Urban governance and new democratic ideals.....	45
3.2.1 “The local” as the new space for development discourse and policy making	46
3.2.2 The local as the space for democratic practice and resistance.....	47
3.2.3 A central role for civil society through neo-liberal reforms.....	50
3.2.4 The frame of urban governance	51
3.3 Summary.....	53
4 The political and economic context of the case-study.....	55
4.1 The African city.....	55
4.2 The Mozambican economy.....	56
4.3 Urbanization in Maputo.....	58
4.4 Informality in Maputo.....	59
4.5 Governance in Maputo: A room for civil society participation?	61
4.6 Summary	64
5 The Xikhelene.....	66
5.1 Development of the Xikhelene	66
5.2 Activities at the Xikhelene.....	71
5.2.1 Vendors' strategies.....	72
5.2.2 Collaboration and competition.....	75
5.2.3 Why operate at the Xikhelene?.....	77
5.3 Development in the horizon.....	79
5.4 Conclusion: Formality and informality at the Xikhelene	80
6. The Rehabilitation of the Praça dos Combatentes.....	84

6.1 Plans for demolition and reconstruction.....	84
6.2 The PDMM Resettlement Policy Framework	86
6.3 A CMM strategy: Avoiding conflict through an awareness campaign.....	88
6.4 Attempts at resettlement of vendors.....	90
6.4.1 Responses at the resettlement.....	91
6.4.2 The lack of vendor perspectives in the decision processes.....	97
6.4.3 The vendors' understanding of their rights.....	101
6.4.4 The vendor's room for manoeuvre.....	104
6.5 Conclusion: governance in the process of rehabilitation.....	106
7. Conclusion: The Outcome of formalization	111
7.1 Policy recommendations.....	113
References.....	114
Appendix	121

Abbreviations

ASSOTSI	Associação dos Operadores e Trabalhadores do Sector Informal / Association of Operators and Workers of the Informal Sector
CBO	Community Based Organization
CLEP	Commission of Legal Empowerment of the Poor
CMI	Christian Michelsens Institute
CMM	Conselho Municipal de Maputo / Maputo Municipal Council
COMUTRA	Comição da Mulher Trabalhadora / Committee of Female Workers
CSO	Civil Society Organization
DMMF	Direcção Municipal de Mercados e Feiras / Municipal Department for Markets and Fairs (of Maputo)
FPLM	Forças Populares da Libertação de Moçambique / Mozambican Popular Liberation Forces
FDI	Foreign Direct Investment
Frelimo	Frente de Libertação de Moçambique / Mozambican Liberation Front
IESE	Instituto de Estudos Sociais e Económicos / The Institute of Social and Economic Studies
GDEI	Gabinete de Desenvolvimento Estratégico e Institucional / Institutional and Strategic Development Office
GDP	Gross Domestic Product
HD	Human Development
HDI	Human Development Index
ILD	Instituto Libertad y Democracia / (Peruvian) Institute for Liberty and Democracy
ILO	International Labour Organization
IMF	International Monetary Fund
LEP	Legal Empowerment of the Poor
MZM	Mozambican Meticais
MZN	New Mozambican Meticais (1MZN = 0,17NOK/0,02EUR, 26.04.10)
NGO	Non Governmental Organization

OTM	Organização dos Trabalhadores de Moçambique / Organization of Mozambican Workers
PARPA	Programma de Acção a Redução de Pobreza Absoluta / Action Plan for the Reduction of Absolute Poverty
PDMM	Maputo Municipal Development Program
PEUMM	Plano de Estrutura Urbana do Município de Maputo / The Municipality of Maputo Urban Structure Plan
PPP	Purchasing Power Parity
PRE	Programa de Reabilitação Económica / Economic Recovery Program
PREALC	Programa Regional de Empleo para América Latina y el Caribe / Regional Employment Programme for Latin America and the Caribbean
RAP	Resettlement Action Plan
Renamo	Resistência Nacional Moçambicana / Mozambican National Resistance
RPF	Resettlement Policy Framework
SAPs	Structural Adjustment Programs
SMEs	Small and Medium Enterprises
TDM	Telecomunicações De Moçambique / Mozambican Telecommunications
UEM	Universidade Eduardo Mondlane / Eduardo Mondlane University (The public university in Maputo)
UN	United Nations
UNDP	United Nations Development Programme
WTO	World Trade Organization

Non-English words frequently used in the thesis

<i>banca</i>	Removable market-stall made of wood
<i>bairro</i>	Part of a city
<i>barraca</i>	Fixed market-stall made of bricks and concrete
<i>capulana</i>	Cloth with different patterns and colours. Used by women
<i>chapa</i>	Here: Minibus used for collective transport
<i>chefe de quarteirão</i>	Head of a quarter

1 Introduction and research questions

Informality and formalization

The discussion on informality has earned an increasing attention among academics, like for example Hernando de Soto (1989), Portes & Schauffler (1993), Chen (2002) and among policy making institutions such as International labour Organization (ILO) or the Commission on Legal Empowerment of the Poor (CLEP). Informal economy is a concept which has had many working definitions. The one used here, will be the same as the one used by the CLEP (2006, p1), as: “all economic activities by workers and economic units that are, in law or in practice, not covered or insufficiently covered by formal arrangements”. It must be added to this notion, that there is a *continuum*, a continuous succession from the formal to the informal, with activities that are partly informal or partly formal (Chen 2002). Furthermore, informal systems are characterized by processes that occur outside of formal arrangements, for example «people engaged in informal activities have their own “political economy” – their own informal or group rules, arrangements, institutions and structures for mutual help and trust, providing loans, organizing training, transferring technology and skills, trading and market access, enforcing obligations, etc.» (ILO 2002, p7). Hence, the dynamics of informality are governed by something else, or partly by something else than formal arrangements.

This thesis examines a policy issue related to *formalization of the informal*. Here, *formalization* will be understood as: imposing legal framework that include the informal activities, thus turning them into formal activities. There has been some discussion over how to formalize and for what purpose. One suggestion is advanced by de Soto (2003): to impose property rights on poor people's assets. Another has been pursued by the ILO, which is a strategy of formalizing the work relations aiming to ameliorate worker's environment or rights which tend to be weak among informal workers (ILO 2006). The aim is to solve the common problem of vulnerability among both the self employed, informal entrepreneurs and the wage workers who are unprotected, or insufficiently protected under legal and regulatory frameworks (ILO 2002). More relevant for this thesis is the notion of the Legal Empowerment of the Poor (LEP), which seeks a broader *pro-poor* policy, through development of accessible institutions and legislations, in a process of local participation (CLEP 2008).

A group of informals that has been seen as particularly vulnerable and targeted by this strategy, is the third world, urban slum dwellers. It is a well known problem for cities of “the South”

that most people do not enjoy legal security for their houses nor for the access to their sources of income. Being politically and economically marginalized, they become vulnerable when their areas are to be used for private sector investments or become a part of the renewal of urban infrastructures (Durand-Lasserve 2007). This group has been growing, particularly in the cities of Sub-Saharan Africa. Drawing on ILO policies, it has been created a paradigm in which governments acknowledge their need for informal arrangements and thus seek to create an enabling environment for it rather than to prevent it (Lyons & Snoxell 2004).

Mozambique is an East-African country that stretches from the borders of South Africa and all the way up north to Tanzania, along the shores of the Indian sea. The buildings and streets of its bustling capital, Maputo, still bear the scars of two decades of civil war and the corners and growing suburbs are crowded with people looking for an opportunity to earn their daily bread. They are coming to the city in the hope for opportunities. At the same time, Maputo is the centre for the country's current economic growth and foreign direct investments. Changes are brought to the city as new high-rises grow up and as fresh, black asphalt and pavement cover the holes of the erosion and mud of a yet not too distant past. Like in many other Sub-Saharan, African cities, the access to urban space is getting scarcer and the access to it is contested (PEUMM 2008a).

As in any African city, the informality in Maputo is widespread. Writers have claimed that informality occurs within all social levels of society, ranging from the large scale corruption within the corridors of power, to the squats on occupied urban land (Lindell 2008, Francisco & Paulo 2006, Jenkins 2000). Furthermore, Jenkins (2000) holds that it is the poor who are most likely to be the losers of informality, as they are the less able to claim their interests, when assets are subjected to networks of power rather than formalized rights. Poor people's dependence on informal arrangements is recognized by the Maputo Municipal Council (CMM) and policies are being conducted to solve problems of legal exclusion of the urban poor. At the same time, the CMM seeks to gain control over the development of the city. Hence, formalization may apparently pose a situation of common interest between the CMM and the informal actor. In collaboration with civil actors, various policies for formalizing the informal are carried out, ranging from imposing new rules for the widespread housing (PEUMM 2008b) to imposing rules on street vending or the formalization of Maputo's many marketplaces (FAO/CMM 2008b).

The research questions

The objective of this thesis is to shed light on how processes of formalization affect vendors at an informal market in Maputo, which bears the popular name *Xikhelene*. This market is located in the suburb, north of the Maputo city centre at the square of Praça dos Combatentes. The Praça dos Combatentes is a state reserve, planned for some future use by the authorities and it was never meant to host a market. Nevertheless, the municipality of Maputo did not have the means to control this occupation, in the same way as it generally could not control the influx of people to the city and the way they, informally, used urban space in order to live and to survive. Today, the Xikhelene is bustling with vending activities and its existence has been debated.

The CMM's attitude and policies on marketplaces have been changing, implying a gradual and partly formalization of the Xikhelene, which implies a tax policy, an agreement on the use of space, collaboration with its market committee and the vendor's association: Association of Operators and Workers of the Informal Sector (ASSOTSI). In turn, this affects the way the marketplace operates. However, even though some formal procedures have been imposed on the functions of the Xikhelene, dynamics still remain outside of formal arrangements. The aim of the first part of the research questions is to find out how a range of formal and informal arrangements affect the dynamics at the Xikhelene. This is formulated in the first question. Some of the dynamics at the Xikhelene may also be understood by looking at the very reasons of its growth. This is formulated in the second question. Both these questions will be discussed later, in *chapter 5*:

How does the Xikhelene operate?

What are the reasons for the growth of the Xikhelene?

In 2009, most of the Xikhelene was demolished as a part of a reconstruction to give space to new a collective transport terminal. The project was a part of the rehabilitation of the highway Avenida Julius Nyerere which was destroyed by erosions during the great flooding of 2000. According to the ASSOTSI, the Xikhelene normally hosts more than 7000 registered vendors. About two thirds of them now lost their market stalls and their daily income without receiving any compensation nor being successfully resettled to an alternative place to vend. During the fieldwork for this thesis, conducted about two months later, most of them were still sitting on the ground on the nearby streets and on the building site, refusing to move. The next research question for this thesis is twofold. The first question will explore how the decision making occurred when resettling

the vendors. The second questions will explore the vendor's response to their removal and demolition of their market stalls. These two questions will be discussed in *chapter 6*:

What characterizes the decision making process of resettling the Xikhelene vendors?

What explains the way in which the vendors responded to the resettlement?

It is important to note that the first two research questions are mainly meant to serve as an auxiliary for answering these two questions: Some dynamics at the market were important, particularly for understanding the vendors' response to the resettlement. Furthermore, the formal legal framework became important, both for the decisions that were made and for the the role of the participating actors and their room for action.

Finally, exploring these questions poses an opportunity to look at the outcome of the CMM formalization policies for the Xikhelene, which is discussed in an overall conclusion in *chapter 7*.

The theory

This thesis applies two bodies of social science, namely the discussion on informality and the discussion on urban governance. Theory on informality is expected to shed light on the dynamics of informal activities, of which the Xikhelene is an example. This theory will serve to answer the first two research questions. The second two research questions examines a process of decision making in an urban setting. Theory on urban governance is thus expected to pose explanations. Finally, theory on informality will also shed light on the subject of *formalization*. As formalization is a process governed by relations of power, theory on urban governance will also provide explanatory power on the outcome of formalization. Thus, an interaction between these two bodies of social theory becomes necessary.

The case

A *case* is defined by Thagaard (2002) as an *empirically defined/limited unit*, or by Stake (2005) as a *bounded system*, with working parts and purposes. My case in this study is the Xikhelene and the vendors who use it. It was easy to define and isolate this as a specific case, since it is a place with a name, a history and with specific people being involved. Though, people in Maputo often seem to talk about the Xikhelene as the entire area or the neighbourhood in which the

market is located. Since there is a spatial continuity of commercial activity between the Xikhelene and the smaller market-places nearby, namely the 1. de Junho, the Mucoriane and even the Compone, some people do not bother to distinguish between them. Commercial activity can be encountered all the way along the roads and in the surrounding neighbourhoods, so it may be difficult to define the limits of the marketplace. My definition of the Xikhelene as a case in this thesis is:

The activity of vendors who are, or should have been¹ paying tax to the Xikhelene market-committee.

This excludes other markets nearby and it excludes as well commercial activities nearby, that pay tax directly to the municipality, even though these also might be affected by the Praça dos Combatentes reconstruction. To not confuse the Xikhelene with the surrounding neighbourhoods, I will not refer to the Xikhelene as a place, but as a market activity of vendors and to the Praça dos Combatentes or the surrounding *bairros*, as the place in which the Xikhelene market activity is being located. Stake (2005) also stresses upon that a case has outside features significant as context for the event or parts of the case that is being studied. In my analysis this context or *outside features* have been the political, economic and social context described in chapter 4. The other factors are the roles of the civil organizations: the ASSOTSI, the market committee and some initiatives conducted by the vendors themselves. The role of the World Bank has also been considered. However, the most important actor is the CMM and its officials working under various departments. As this thesis treats the issue of formalization, considering the role of relevant guidelines and legal frameworks have been important. The most important is the CMM formalization strategy on formalizing retail markets. Furthermore, The Maputo Municipal Development Program (PDMM) has been an influence along with the role of the ProMaputo, which is an urban reform. The ProMaputo also adopted the World Bank Resettlement Policy Framework (RPF), which is a World Bank attempt to embed rights for the displaced into guidelines for resettlement processes during development projects.

¹ Supposing that some, mainly ambulant vendors, do not pay tax even though they are supposed to, but still use the advantages of doing commercial activity at the Praça dos Combatentes.

The research method

In this study I have chosen to do a qualitative single case-study. For the first two research questions the aim was to find out how the market operates and reason for its growth. I solved this by searching for explanations for what dynamics govern the market. I have tried to answer this question by finding out how and why the market was being used by the different operators, within a context of existing regulations, social conditions and the history of Maputo. Talking to CMM officials and organization leaders and generally people with knowledge proved valuable, but interviewing the Xikhelene vendors became the most important source. I wanted the vendors to explain to what degree the market was necessary to sustain their households, what problems they face, how they use it, how they could use the market to prosper and make their activities grow, what factors led to the development of the market even though it was not allowed by the state and why people specifically chose the Xikhelene. All these will constitute explanations and histories which will shed light on the functions of the market, and a qualitative approach is suitable.

For the second two research questions, I was searching for information about the legal context and the political process concerning the demolition of the Xikhelene and the following transference of vendors and the reactions to it. I found that this could also be solved with a qualitative approach, by conducting interviews with vendors, officials, organization leaders and reading official documents.

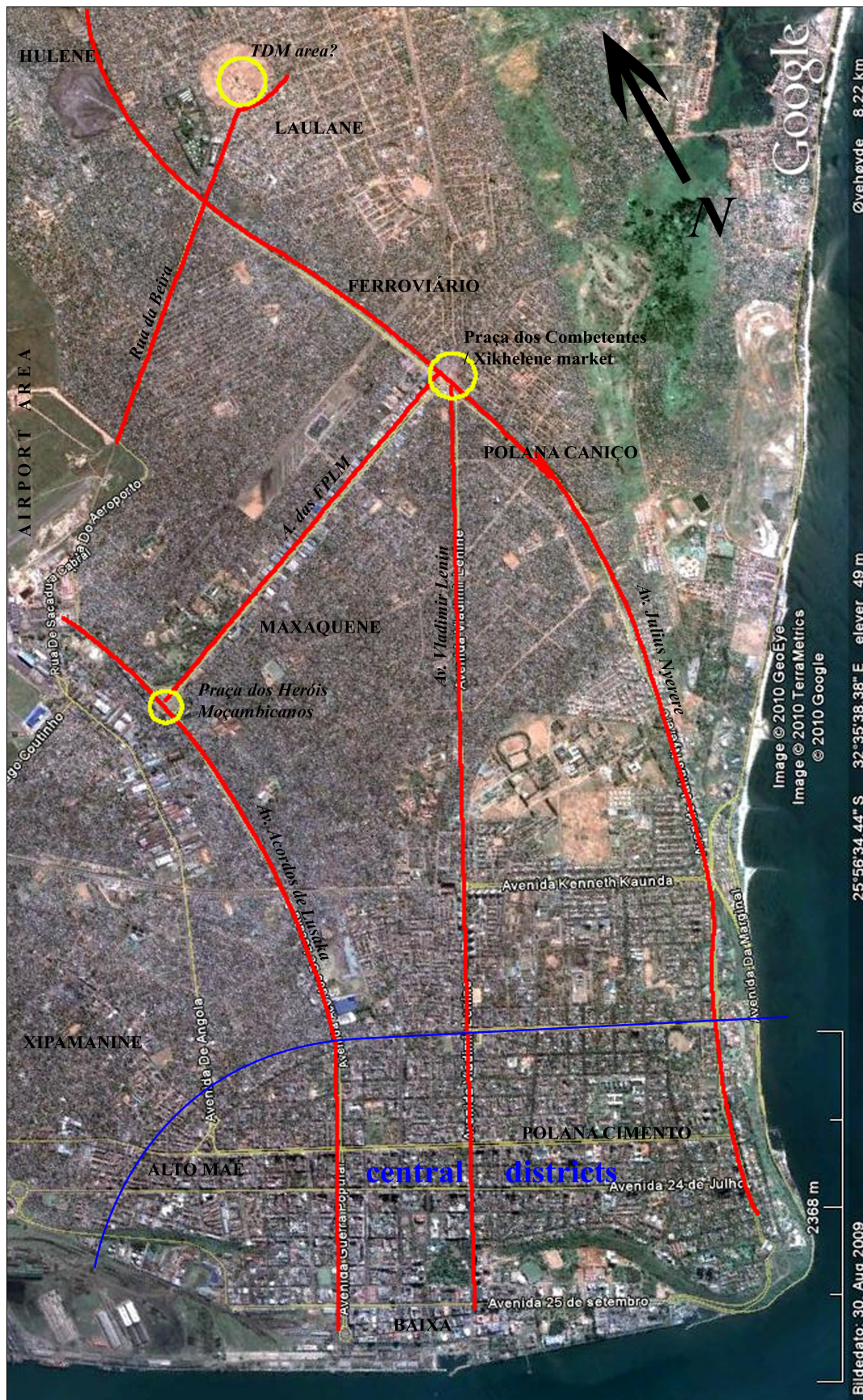
The structure of the thesis

This thesis consists of seven chapters. This chapter is an introduction which explains the research objective, formulates research questions in order to meet this objective and describes how the use of empirical findings are expected to answer the research questions. *Chapter 2* is a description of the research method conducted for gaining empirical findings for the thesis and the research process. The aim is to give the reader an opportunity to evaluate the quality of the research. *Chapter 3* is a theoretical framework for the thesis which aims to bring together theory on informality with theory on urban governance and ideals of good governance. The first part discusses the development of the topic of informality and will explain briefly the strategy of formalization. The theory on urban governance and democratic ideals will shed light upon the second part of the research questions, which is aimed at analysing a decision making process with various actors involved and the responses to it. *Chapter 4* explains some of the social and political background of

Maputo, Mozambique, which uses other empirical data to present the context for the development of the Xikhelene market and the milieu in which the decision making concerning the resettlement of its vendors took place. *Chapter 5* concerns the empirical findings for the first two research questions. *Chapter 6* concerns empirical findings on the second two research questions. Both chapter 5 and 6 contain conclusions that brings theory and data together to answer the research questions. *Chapter 7* contains an overall conclusion and policy recommendation.

Map of Maputo

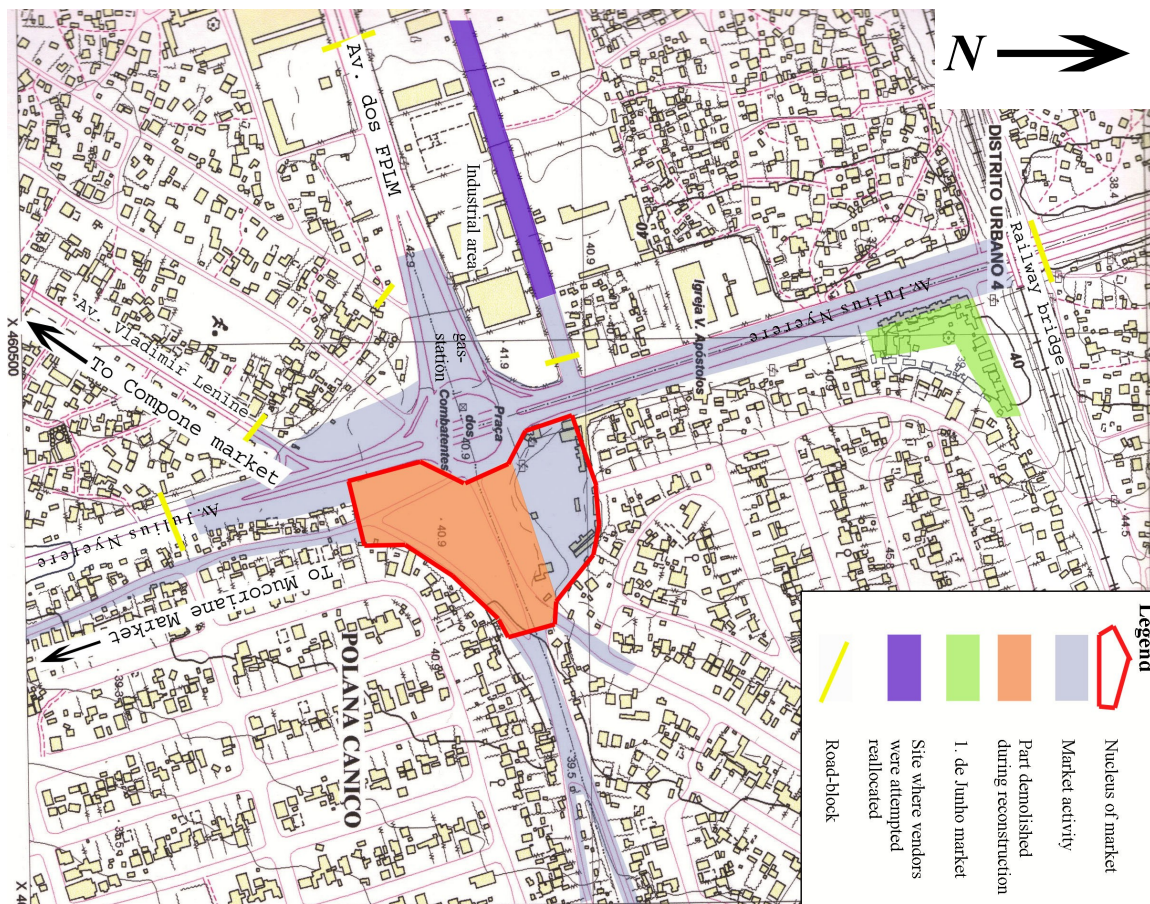
Places and streets that are significant for thesis are highlighted.



Map of Mozambique



Map of Praça dos Combatentes during reconstruction 2009



2 Research-design and process

Thagaard (2002) uses the concepts of reliability, analytic generalization and validity as guidelines to improve the quality of a qualitative research². In this chapter, these terms have been used as a point of reference.

*Reliability*³ refers to the degree on may have confidence in the research data that has been gathered. In order to make the reader to have this confidence, it is important to explain how the data has been collected and used, what problems the researcher has faced during the process and what ethical considerations have been taken, so that the reader may judge the quality of the data. The aim of this chapter is to consider these questions (Thagaard 2002).

*Analytic generalization*⁴ implies that the research contains a contribution to the development of theory. I have chosen a broader approach, namely what Thagaard (2002) defines as *transferability*: that it may be useful for later research of other, similar cases or generally pose valuable insights for other occasions. Sub-chapter 7.1 considers some policy recommendations.

*Validity*⁵ here implies that the researcher maintains a critical view on his/hers own analysis and to what degree the results may be confirmed by other research. Along with the introduction, an aim of this chapter is to give the reader an opportunity to judge whether the analysis of the thesis is supported by the data. As explained in sub-chapter 2.2, a method of *triangulation* has been used to include other empirical data to support or contradict my findings.

Moreover I will explain, in sub-chapter 2.2, how data has been collected, later analysed and for what purpose. I will also give an account of how the process itself developed and what problems I encountered along the way. Sub-chapter 2.3 discusses the quality of the data, while sub-chapter 2.4 explains the method of analysis.

2.1 Implications of a normative approach

According to Ragin (1994), an aim for social sciences is to *give a voice* to specific groups. Not only to study the group itself, but to contribute to its voice in society, making it visible in a political debate. This could often refer to marginal groups, like poor people, minority-groups and so

² These terms are translated from Thagaard's (2002) Norwegian contribution. They are applied somewhat differently than the normal, English use.

³ Thagaard's (2002) Norwegian term: «troverdighet»

⁴ Thagaard's (2002) Norwegian term: «overførbarhet»

⁵ Thagaard's (2002) Norwegian term: «bekreftbarhet»

on. The vendors at the Xikhelene-market can be described as such, being a group of mainly poor people dependent on informal, small-scale commercial activities, based on assets without ownership-rights on an occupied space, which is not officially recognized by the Mozambican state. Interviewing the vendors with the purpose to let them express their opinions about a political process, I am giving a voice to this group. This aim is important for the second part of my problem which concerns a political process. Before I went to Maputo, I was planning to find a specific event in which the market-committee played a specific role, in order to shed light on how this committee defended the vendor's interests. When I came to the Xikhelene the 15th of July 2009, more or less two thirds of the established part of the market had been removed but, despite the fact that the vendors had lost their stalls, they still remained at the place. So I found it convenient to study the political process leading to this reconstruction and removal of vendors and to find out about the vendor's opinion regarding this, and to what degree their *voice* had been taken into account.

Ragin (1994) state that research that advocates the interests of a certain group may, from a naturalist point of view, be criticized for not being objective. Therefore, one has to take precautions to remain as objective as possible, for example: express several points of view concerning the matter or be wary of how people rationalize what they do. In my analysis I am trying to express the opinions of both the vendors, the municipal officials and the organization leaders. Still my analysis arguments in favour of the market vendors, emphasizing their social vulnerability.

Giving a voice to marginal groups could pose a methodological advantage: Given that knowledge about society is socially constructed, as argued by social constructionists, the construction of knowledge is a result of a discursive struggle, which according to Vivien Burr (1995 in Jørgensen & Philips 1999) is created and maintained by social processes and power-struggles. Then, one may argue that a part of our knowledge about society will drown and so knowledge will be less «neutral», if not putting emphasis on the weaker voices. This is relevant for this thesis because the vendor's interpretation of the Xikhelene-market's role in society may differ from the «official version» of the knowledge about the market which can be found in newspapers, documents or among officials. It may also be relevant because a part of the analysis in this thesis is dealing with a specific political process: the decision of reconstructing the Xikhelene-market and what logic and who's voices seemed to be dominant in making these decisions. What «truth» seemed to lead to the decision of the political process and what «truth» did not, is a question that will be treated as data. Still, neutrality is not the objective for this thesis. From a post-modern point of view, the researcher's analysis cannot be neutral, but it can just be another representation of the study-object. And this representation is motivated by the wish that the vendors at the Xikhelene-market should have had a greater power of decision in the political process leading to reconstruction and transfer

of people. Considering Mozambique's present high economic growth, an even higher urban development will take place in the future and it is vital to find solutions for the large part of the urban population relying on informal activities. To strengthen the political rights of these people may be one solution. This corresponds to what Ryen (2002) defines as a normative approach, and it was certainly a main motivation both for the second part of my research questions and for the focus on potential problems concerning issue of formalization.

2.2 Searching for information about the Xikhelene

For the first part of my problem, I decided to collect and compare explanations and narrations of the use of the Xikhelene-market, told by vendors at the market, people living nearby, municipality officials and leaders of relevant civil organizations. Reading various historical sources about the social situation in Maputo and documents that explained state legislation and projects for market-places did also turn out to be useful. Moreover I observed the market in order to see how it was used on a daily basis. The approach for the research regarding the second part of the problem was slightly different. I had to hear opinions about the political process involved and how this process actually had occurred. This was characterized as being an inquiry where looking for written material and continuously asking for new possible contacts and material in what Thagaard (2002) calls a *snowballing-method*, became particularly important actions. For this problem it also became more important to do comparisons of statements of different the different stakeholders, and how this corresponded with official documents. While studying how the vendors responded to the reconstruction, observations also became useful for this problem .

Interviews, observations and documents have been used as sources and combined in a *triangulation*. The term triangulation may be strictly defined, as for example by Thagaard (2002) who explains it as a combination of qualitative and quantitative methods. I am applying a wider definition suggested by Stake (2005) as employing various procedures to avoid the likelihood of misinterpretation of data or: a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation. I have used a combination of approaches in a method-triangulation: *interviews, observations and reading of related documents*, trying to see if different perspectives will confirm each other. This turned out to be especially important when asking for information from vendors at the Xikhelene-market where knowledge seemed to be based on rumours, quickly misinterpreted and distorted. With several occasions I followed a track which,

after a while became weakened or rejected by other informants. Therefore, I have been trying to use only information that has been confirmed by more than a couple of informants, or observations that have been confirmed by interviewees, especially when it comes to information about what happened during a particular event or when trying to obtain concrete facts about the market. Informant-triangulation as described by Denscombe (2007), has thus been important. Furthermore, in cases where claims in the analysis have not been confirmed by more than one informant or in some way considered as weak, this will be explained in the analysis and the strength of the claim considered thereafter.

In order to answer the second problem, I used triangulation in a different way: According to Stake (2005) triangulation may also be useful for a researcher who has an interest for diversity concerning the perception of the case or for identifying different realities presented by relevant actors. In other words, the different way people talk about a certain event or express a certain opinion may be treated, not as an obstacle for analysis due to an unfulfilled picture, but as data. This has been important for finding different realities, plausible alternatives or opinions regarding the status of the market and the vendor's legal rights during the transfer of vendors. For example, municipal officials had a totally different perspective on the transfer of vendors than the vendors who had been afflicted by the reconstruction. Vendors who had not been afflicted by the reconstruction had different explanations from those who had been directly confronted to it and so on. Then the concept of triangulation is not only used as variation in methods, like a combination of quantitative, qualitative and observation, but for getting an image of the opinions of various actors who play different parts and have different perspectives on the case, to explain why and whose voices were realized and thus dominating and what realities they reflected.

2.2.1 The interview-process

The main source of information comes from interviews. Altogether I conducted forty three interviews⁶ and conversations. Twenty two of these interviews have been recorded and transcribed, the rest summarized. Thirteen of the transcripts and fourteen of the summaries were made by my research-assistant and the rest by me. Almost all the summaries were made quickly after the interviews, but a few also during interviewing. The interviews were all made with strategic samples, people that were chosen because I assumed they could offer information about my subject.

⁶ See Appendix for list of interviews conducted.

I tried to vary the age and gender of my informants as much as possible.

It must be mentioned that before I could even start the interview-process, I was rejected by the Xikhelene market-committee because I had not obtained a locally approved research-credential. This had to be applied at the DMMF, a process that took about a month because the application had to be sent to the Municipal Council, since the municipality did not have any standard procedure dealing with foreign students. It also turned out to be a problem that my credential from the University of Oslo was written in English, since the officials of the department did not understand it. I solved this by asking a professor at the UEM that remembered me from my exchange-period, who spoke English and where certified to write research-credential. This credential was approved of and stamped by the DMMF and thus, accepted by the Xikhelene-market committee. Two weeks later, I got the municipal research-credential. From then on, I was operating with two credentials⁷.

Ryen (2002) writes about the nature of relations between the informants and the researcher doing fieldwork in a distant culture. First, this relation will be characterized by history. According to Ryen a Norwegian will usually, in Africa, be categorized as a white European. The relation is then marked by colonial past and large social differences. To be able to understand communication, one has to be aware of the historical and social relation. Ryen also emphasizes that this relation is constantly changing and she exemplifies how it may be modified consciously by the researcher. Secondly, she stresses upon the importance of establishing a relationship of trust with the informants, which is crucial for making good interviews with reliable data. The cultural difference between the researcher and the informants may then be an obstacle, but it may be also be used dynamically to establish good relationships by making use of one's own *positionality*. This requires that the researcher to be *reflexive*, as Mohammad (2002) explains it: being aware of one's own position with the researched subject in the field. Here, I will explain how I have been trying to consider my positionality in the various surroundings where I gathered information. And, I will explain how I believe that this positionality had an impact on my interview-process.

During my period as an exchange-student in Maputo in 2006, I experienced different situations being a young, white man in Maputo, so I had some ideas about how to deal with it. There is for example a more acute social difference in Mozambique and especially in Maputo than what I am used to. I had the impression that people of a high class are shown more respect in Maputo, but at the same time people of lower classes contribute to the creation and perpetuation of this difference

⁷ See Appendix for research-credentials.

by characterizing rich people as snobbish and arrogant. At the same time, it seems to be important for upper class people to secure their social position by keeping a certain distance from people belonging to the lower class, an attitude they are expected to adopt. As a white person from a rich country, I had the feeling that people often expected me to act even more like a Maputo high-class person. A lot of Mozambicans travel to South Africa and they are familiar with the social separation and image of racial separation which is still typical for the South African culture. This may explain my perception of distance between me and my study-objects. Another reason for the atmosphere of distance, was simply the language-problem. First, my Portuguese is not perfect. Usually it is no problem when talking face to face with a single person, but when talking to a group of people it becomes difficult to follow the conversation. Sometimes it may also be difficult to create a personal relationship, since I am not aware of how to use slang or other socio-cultural factors embedded in the language. Second, many vendors at the Xikhelene seemed to feel more comfortable and personal when speaking Shangaan or Ronga, which are languages that I do not speak.

Since I was already aware that I was going to face these problems, I tried to counteract the atmosphere of distance by living with a family in the Bairro Ferroviário, close to the market during the fieldwork period. I got in contact with this family through a friend from my exchange-period in 2006. This family had a lot of acquaintances in the area, which gave me an easy access to informants which again would serve as door-openers for more informants. Interviews conducted with these people became some of my best interviews. I had a lot of informal conversations with these people not mentioned in the list of interviews and I was showed around at the market and introduced to different people. I also tried to solve the distance-problem by using a research-assistant. He was a male, last-year bachelor-student at the UEM and a very clever person, whom I also got in contact with through my student-friend who was working as a teacher at the university during the period. Cooperating with the research-assistant gave me several advantages during the interviews. First, he took part in the cultural identity of my informants, which in some instances made it easier to get in touch with people, both to participate in interviews and to increase the quality of the interviews. Though, I suspected that it might have been some class-differences between him and my informants, but I was not able to notice how and if this really made any difference. Second, grown up in Xai-Xai, Gaza, he spoke perfect Shangaan and Portuguese, which also counteracted my language-problem in some of the interviews. He was also making summaries during some interviews. But in the end, I actually found it preferable to do interviews on my own. This is simply because it was easier to follow the conversation and control it when operating alone.

Doing interviews alone also made it clear that I was the one that the informants were supposed to talk to, which made it easier to make conversation without any confusion.

Thirty of the interviews have been conducted with vendors at the market. I hoped that these people would explain how they used the Xikhelene-market, what importance it had in their everyday life, how they had developed their commercial activity, why the Xikhelene-market was a preferable place for their activities and also that they would narrate the history of the market. I also asked a lot of questions about how the current reconstruction affected them, how the reconstruction had occurred, how they had been informed about it and their opinions about it. Many of these informants were, as mentioned, people that I got in contact with through the family I lived with. I realized that this implied a couple of problems for the quality of data. First, most of these people also knew each other, so my interviewing quickly created rumours and conversations about the topic of my interviews. A couple of times I could notice that informants had already made up their minds and decided what they were going to say even before the interview started, which made it difficult to control the conversation. Usually they exaggerated the aspects regarding the reconstruction which was a typical topic of conversation during my fieldwork-period at the marketplace, but which I left for the last part of my interview-guide. So, when I tried to make them talk about the development of their own activity and the general use of the Xikhelene, they showed less interest in talking about this. For example: I started the interview asking them to tell me about the development of their activity, but they responded by talking about the reconstruction. The second problem was that I chose to start picking random vendors at the market as soon as I had interviewed all the people I knew. In other words, I had to use two different strategies for making contact with informants, which caused a mix of what Stake (2005) calls convenience-samples strategic samples. At least the interviews differ in content and size, which made it a bit difficult to compare. The way I experimented different ways of presenting myself in an attempt to find the best way to create a good interview-situation, may also have created some variation of content.

In order to get in contact with random vendors at the market, it would have been a good situation if I had been able to use the market-committee as a gate-opener, being introduced to different people at the market. This would have demanded that I somehow should have found a way to create a better relationship with them. Unfortunately I was not able to do this, as the representatives of the market-committee were rather suspicious and not willing to help me out or let me participate in what they were doing. Still, it might have been possible if I have had the time to make a screening-process to get in contact people related to them.

Walking around at the market, trying to pick random people to create a good situation for interviews turned out to be very difficult. People often seemed to be afraid to attract attention. I was told that there used to be civil police patrolling the market to stop possible riots. Indeed, the presence of municipal police was often noticeable, trying to make way for the reconstruction activities and the vendors seemed to be afraid of them. I found out after a while that using the word «interview» made people think that my project had something to do with radio or TV and they either did not want that kind of attention, or they were afraid they might say something that could harm them. When I realized this, I stopped using the word «interview» and rather presented my request as a school-project. Other people, especially young people were very shy and found my attempts to interact with them extremely embarrassing. Sometimes I could notice that information was distorted because the informant was not willing to talk and was giving short answers just to get the interview over with. It was in these circumstances that I sometimes benefited from the help from my research-assistant. Some of the vendors were also sceptical about what kind of information was being spread about the market, for whom and to what interest. I had the impression that people spreading information about the Xikhelene-market, for example for newspaper articles and such, rarely presented the market in favour of the vendors.

People also seemed to be sceptic or bitter towards those who had a higher social status than them or a more prosperous economic position. This latter category was usually associated to white people who very often were assumed to be rich. As a white person, I was always distinguished from other people there, no matter what significance they put into the white skin-colour. With one occasion I asked a woman about her opinion regarding the reconstruction, and she responded: «We don't know! You are the ones who decide!». Some people also assumed that I had some kind of power within the marketplace, that I was there to earn money or that I would use the information against them in one way or another. After a while I realized that it was important to present myself in the right way. I started to avoid the word «university» to reduce my own status. The best way was to present myself like this: «Hi! How are you? I am doing a school-work about the Xikhelene-market. I am going to write a book about it. And the best way to get information about this marketplace is to talk with you, the vendors, to see your point of view. Would you like to help me out with some information?». Not explaining correctly how information obtained in interviews will be used, may be considered an ethical problem. The vendors knew I was making a written work about the Xikhelene, but did not know perfectly what an university-thesis implies.

It was also often a question of money in the air. It is normal to offer something in return for a favour. It even seemed impolite not to offer money or at least to buy something in return for an interview. Sometimes I tried to solve this by buying some small article to gain sympathy, but, for ethical reasons, I decided that this should never appear to be a payment for the interview itself. The reason is that I rather wanted to find the informants who were really willing to cooperate, to express a point of view and to talk. Moreover I did not want to create a rumour of me paying money to people, which could have led to a situation of vendors «standing in a line» to be interviewed for money and saying whatever they thought I wanted to hear, which would have conducted to data distortion. Another problem was that some informants believed that I earned money for my project and, for this reason, they found it unfair that I was not paying them for their contribution. A few of times I tried to convince them that I was not earning anything and that I did it for the purpose of my education, but I quickly decided that coming up with such arguments was not worth the effort and that it was easier and quicker to pick someone else. Still, more than once an argument like this led to a more informal conversation that took place in a friendlier atmosphere, making possible the gathering of data.

Another dimension of the problem was that the normal way of interaction at the marketplace did not fit very well with the formal interview-situation. I noticed that people at the market were not comfortable in a strict formal situation. Therefore, the typical interview-situation was not necessarily the best way of getting information. To sit down and talk to the people for half an hour as agreed, to take them an «interview» did not seem to be a natural setting for people to express their opinion about something or talk about more personal matters. The answers were often short, «the official answer» or a mechanical answer coming from someone who obviously did not enjoy the setting or the situation they found themselves into. I had the feeling that these were “political correct” answers, not the kind of answers they would have given if chatting with a friend and really expressed their opinions. Usually I got better and deeper explanations when chatting at dinner time or after we had slightly got to know each other. Then, not even necessarily with informants in the list of interviews, but with people who showed up for a conversation at the place where I lived. To create a situation like this with random people at the market was far from easy. Very often simply because they could not just leave their market-stalls, or because they did not know me well enough. After a while I found out that it was certainly worth the effort to spend some time talking to people about other things. Most people seemed to be quite curious about me and enjoyed a good conversation. Sometimes these conversations resulted into data, but these data did not strictly followed my interview-guide. With other occasions, I was presented to someone else that was more

willing to talk about my topic as a result of establishing a certain atmosphere. Generally it seemed that talking to people at the market on daily topics often resulted in important conversations and data in the end. Since people preferred a relaxed, informal conversation to a strict interview, it also turned out to be difficult to use a sound-recorder. This is the reason why only eight of the interviews with vendors were recorded and transcribed. The necessity to establish an informal, unpretentious atmosphere made it difficult to follow ethical guidelines. When strictly following ethical guidelines during an interview, like informing about the aim of my thesis, the rights and anonymity of the informants, it usually resulted in the informant feeling so alienated that he or she lost the will to continue. Of the same reason, I did not make them fill in any forms that guaranteed their rights as participants. Still, during all the interviews, the informants knew that the information was to be used for a university-thesis, often explained as «school-work». I explained before, or during the conversation that I wanted to know about how they were using the market, the importance of the market and their opinions about the reconstruction. People were also scared away when I was asking if they wanted to be anonymous. They were too suspicious to participate in a project, where it, by some reason they did not comprehend, was necessary to be anonymous. I have made all the vendors anonymous, but the reader only has my word for it.

The interview-process with vendors resulted in seventeen summaries and thirteen transcripts. The ideal situation would have been to take thirty interviews, all semi-structured and transcribed, in which vendors would have explained carefully how they had developed their activities and what the Xikhelene-market meant for them. It became a mix of convenience samples and a strategic samples. It is also a mix of a semi-structured interview-form and a more loose conversation. This material has a certain variation in content and a large variation in quality and size.

Since the transcription and a part of the analysis were done during fieldwork I became aware of the problem with this group of informants early in my research. That is why I did some general changes in interview strategies and decided to conduct some additional interviews with people living close to the market. I conducted four interviews with this group. I was hoping that they would give some additional details about how customers used the market, that they would have more knowledge about the development of the market, and maybe some other points of view on the reconstruction. It was easy to make these interviews, because these were people that I knew from living almost three months in the Bairro Ferroviário, so they were all happy to talk with me. I became pleased with them because they contained deeper additional explanations on how the market was developed and used, by both customers and vendors. It also turned out that two of the

informants had experience themselves as vendors at the Xikhelene, which gave me some more detailed stories about how small-scale activities was developed. These interviews resulted in three transcripts and one summary, since the last of these informants did not want the interview to be recorded. The variation makes the interviews difficult to compare, which again created difficulties for answering the first part of the problem for this thesis. Ideally, the analysis for the first part of the problem, as being done in chapter 5, should have consisted of narratives where vendors would explain their everyday work and posed some thoughts on the dynamics of the marketplace. Only two, maybe three of these interviews went according to these expectations, while most of the interviews with vendors were quite superficial. As a result, to be able to make a text that could be presented in the analysis for this thesis, I had to combine various claims and explanations to complete the picture. It was also became completely necessary to combine these interviews with observations and analysis of documents. Furthermore, as the interviews were both quite different in character and many of them somewhat superficial, I have a feeling that there is a missing *saturation of meaning*: that the factors explained about the everyday functions of the marketplace are somewhat casual, that the information has been obtained by chance and that there might be important information that did not make its way into the thesis. However, combining these findings with background information, other interviews and observations, it was possible to create a narrative. I am also pleased with the way this information serves as an auxiliary for making account for the second two research questions.

I knew that Professor Theresa Cruz e Silva at the UEM had been writing about the ASSOTSI, so I made contact with her hoping that she would be able to tell something about informality in Maputo and the Xikhelene-market (Cruz e Silva 2003). She advised me to rather talk to António Franscisco, who is a professor of economy at the IESE in Maputo. Shortly afterwards, I conducted an interview with him. This interview was not so important data for the case itself, but rather for secondary information. The aim was to get advice and insight on the degree to which the debate on the informal sector was present in the literature about Mozambique's development and on the socio-political situation in Maputo. This interview was very important to get an understanding of informality, particularly in Maputo and how the theory used in this thesis could be connected to the Mozambican context. Then especially the legalist-approach that Professor Francisco has been using in his writings about informality in Mozambique. In addition, the interview with him gave me some understanding of the development of street-vending in Maputo and policy-issues connected with this.

Finally I conducted nine interviews with different actors with political influence, namely two interviews with the spokesman of the Xikhelene market-committee, two interviews with the leader of the ASSOTSI, one interview with the spokesman of the 1. de Junho, with a neighbourhood-secretary, a district-secretary, and with two municipality officials. I also attempted to conduct an interview with a representative of the World Bank, but this was not successful. This last series of interviews was important for the second part of the problem and it was used to compare different explanations for the decisions related to the reconstruction and as a means for gathering more information and written material. All interviews with vendors and people living in the market's neighbourhood was semi-structured, to benefit from the opportunity to compare the interviews and to ask specific follow-up-questions and go deeper into specific subjects. Interview-guides for the academic and for the last group of political actors have been created for each interview separately. Even though they are anonymous, it may be easy to identify some of the informants of this group. But I do not see how the information might harm any of them.

To get in contact with this category of informants I either used a snowballing-method, asking to be introduced, or asking if the informant knew someone else that had knowledge about my topic. Usually I just went to their office and knocked on their doors, and I was almost never rejected. But, it demanded some patience, since the appointments often were postponed over and over again. It was also easier to make good interviews with these informants. Most of them were professionals, therefore used to a more formal setting. Thus it was possible to make appointments and to follow the interview-guides more exactly as planned from A to Z. The atmosphere of the social setting was strikingly different from with the vendors. Compared to what I am used to from Norway, people of high positions have to be treated more respectfully than other people. And by the way I was addressed in these settings, I understood that these interviews conducted in a formal and polite way, using the words like “você”, “o senhor” or “a senhora”⁸ which, on the contrary, would have seemed ridiculous in the interviews with vendors. In one occurrence an informant got offended when I asked if he wanted to be anonymous, as if I assumed that could not make a stand for what he was saying. Regarding the dressing code, this had to be more formal for these interviews than for the ones at the market. Actually, I had the feeling that being a foreigner, and thus a person who these people could not easily place, seemed to give me sometimes an upper hand. Being an *outsider*, not taking part in nor having any idea about local relations and traditions of power made me a person that could not be judged. In other words it seemed like I could be more easily forgiven for not following codes and unwritten rules, which made it possible for me to ask

⁸ «Você», «O senhor» or «A senhora»: Polite forms of «you» in Portuguese

more direct questions. Sometimes officials and secretaries were also more benevolent towards me since I was a foreigner, helping me with whatever I needed: documents, phone-numbers, contacts and so on. Since the municipal officials I interviewed had seldom much time at their disposal, none of these interviews lasted for more than forty five minutes. It was quite difficult to get a good interview with the Xikhelene market-committee. They always had a line of consulting vendors waiting outside to get an audience every time I came there. They turned down my interview request several times and I had to insist a lot before I obtaining a second follow-up interview which was necessary to gather information about how they were included in the political process connected to the market reconstruction. It was only the head of the committee who was willing to give an interview, and he was very busy doing many activities at the same time. The other committee-members reacted somehow similarly to many of the other vendors at the Xikhelene, being suspicious to my presence there. This reaction was disappointing, since I originally wanted to make the market-committee a central part of my study. Realizing that the ProMaputo is to a large part financed by the World Bank, I attempted to conduct an interview with the Ali Alwahti at the World Bank office Maputo. I was soon redirected to Uri Raich who is the World Bank team leader for the ProMaputo. I had an e-mail correspondence with him until December 2009, until my request was rejected, as the reconstruction of the Praça dos Combatentes was not formally a part of the ProMaputo. It could have been useful to know how the RPF was developed, monitored, communicated to donor recipients and how it got adopted by the CMM. However, it was through the World Bank I got to know about the ProMaputo, the RPF and that the GDEI was the responsible municipal department for conducting urban development projects.

During the last week of my fieldwork, I got a conversation with the GDEI, which is the municipal department responsible for the ProMaputo, and thus the reconstruction of the Praça dos Combatentes. When I came there it was just to obtain some documents that the World Bank representative demanded me to read before an eventual interview with the World Bank, but the GDEI had prepared themselves to make a one and a half an hour conversation with me about their work. In other words, I showed up unprepared for this conversation which made it very confusing. It also seemed improper or impolite to start recording, so I did not get very much data out of, which otherwise would have been one of my most important interviews. They presented the aims of the ProMaputo which was very useful. But I was mostly interested in discussing implementation of the World Bank resettlement-policy, which it seemed like they were not willing to discuss. It might have become too confronting when I was asking about the unsuccessful resettlement of the Xikhelene vendors.

2.2.2 Other sources: Observation and document-analysis

Living with a family in the bairro Ferroviário gave me some advantages, especially the possibility to do observations at the market. It was not to actively do a participating observation, which would demand a much longer research-period and participating in activities at the market. It was rather to force myself into going to the market everyday since the family I lived with used it all the time. Getting information from the friends of this family was probably the closest I could get to being an *insider*, which according to Mohammad (2002) for a researcher would imply crossing the boundary that circumscribes identity, social position, belonging and similar markers. I was accepted by them since I was an acquaintance of somebody they know and since I was living in the house of someone they could relate to. This does not mean however that I was taking part in their life and daily problems.

The use of observations has not been my most important source for data. According to Thagaard (2002), observation is a useful method to study relations between people or people's actions. As for me, I have not done this actively and consciously. Still, observation has been important to get a personal experience of the case and to confirm information provided by informants. Necessity of a personal experience, or to «get into the situation» is also stressed by Thagaard (2002). Doing my shopping at the market, shopping together with the family I lived with and making friends with people at the market gave me a better opportunity to observe how people related to the market on an everyday basis. Even though this was not used systematically as data, it has certainly been important. Still, the most important data that stemmed from observations were those that confirmed information from interviews. Doing interviews at the market brought a lot of contradictory information, so the best way to find out the «real story» was often to go and see for my self. For example, one informant told me that all the vendors who were transferred to the street that went parallel with the Av. das FPLM left this place and went back to the market. To see if this information was true, I went there, saw all empty *bancas* and asked a person where all the vendors had gone, and thus had the information confirmed. There were a couple of observation opportunities that I missed, but that could have been very relevant. For example, there were several meetings taking place before the reconstruction, involving the market-committee, the municipality and various organizations. Being present and observing those meetings would have strengthened this thesis, but unfortunately they had all taken place before I arrived Maputo. The GDEI asked why

I had not cooperated more with them in my fieldwork, observing their work. Unfortunately I missed this opportunity as well, since I had not been informed of the role of the GDEI until the end of my fieldwork and did not get in contact with them until the last week of my stay in Maputo.

The third source of data consists in the analysis of documents. Some of the municipal documents describe the use of Maputo marketplaces and are therefore relevant as data for the first problem. Historical texts and other academical articles concerning Mozambican society and Maputo describe the social situation which indirectly leads us to reasons for the use of marketplaces, general petty-trade in Maputo and political traditions in Mozambique. These are also used as data, putting other empirical findings into a context and thus supposed to create a deeper understanding. Moreover I see the use of academical articles in this thesis as a «bridge» between theory and analysis, bringing the theory down to a local context which is also useful for answering the first problem. Still, the document-analysis is mostly relevant for the second problem. Documents obtained at the CMM, for example describe the legal status of Maputo markets, the Praça dos Combatentes reconstruction and the CMM resettlement policy leading to civilians being afflicted by development of urban infrastructure. These documents serve as a supplement for the interviews conducted with the last group of informants, and especially, municipal officials and the ASSOTSI. Reading documents was also necessary for doing some of the interviews. For example, doing the follow-up-interview with the ASSOTSI became more useful after reading CMM legislations for markets, and the World Bank representative whom I were in contact with demanded that I obtained the CMM resettlement-documents before the interview⁹. There are some documents that I have not been able to get, but that would have been important if I had them. For example, old newspaper-articles or minutes from meetings that have been defining for the Xikhelene markets status or the involvement of social organizations could have been of great importance. These kinds of sources proved to be difficult and time-consuming to get in Maputo. As a result, the information obtained about how the marketplace came into being and how the market committee worked, stems from interviews that feels a bit incomplete or difficult to rely on. However, the greatest annoyance was that I never got my hands on the RAP for the reconstruction of the Praça dos Combatentes. The GDEI sent me several documents a few days after our meeting, as agreed upon, except from the RAP. This document would most likely have proved crucial for getting exact information and officially stated plans about the resettlement of vendors and information about operators involved in the reconstruction and their specific roles. The GDEI claimed that the reasons for not handing this document over, was that they did not possess a digital version, even though they were showing me

⁹ This interview did not take place.

this document on a laptop during our meeting. I was continuously sending mails asking for this document until January 2010 before finally giving up. All the statements in the thesis about the resettlement of vendors are therefore based on interviews.

2.3 Usefulness of the data

As explained, the information gathered during interviews with vendors seem somewhat circumstantial, which poses difficulties for the first part of the problem. I have found moments that has been enough to build a text that answers the problem. It works well when supplemented with background information, but it might have been important information about the use of the marketplace that I was unable to find. I was unable to get any good, written work about the history of the Xikhelene market, so this information is solely based on oral sources. The history of the market poses some explanations for the functions of the market, but it is not given first priority. As it was easier to get good interviews with officials and get documents more directly related to the second part of the problem, these findings appear stronger and more convincing. The second part of the problem is also more sharply defined in relation to theory, which made it easier to categorize the findings and create arguments. Still, findings for the first part of the problems serves well as a supplement for second part, which was intended.

2.4 Method of analysis

The transcripts and summaries of interviews have been analysed by categorizing the content that seemed relevant for the problem. The text were put into a table, then the relevant content was underlined, numbered and used for further notes. Documents or historical texts have been used either as supplement or for contextualizing the content of the interviews. Then I compared this content and looked how content of different interviews or written material could supplement or contradict each other, to find a saturation of meaning and build a text. Thus, I have adopted what Thagaard explains as a *issue-based interpretation*, identifying aspects about the ways the Xikhelene-market is being used and how the process of decision related to its reconstruction occurred. Looking at how different operators narrate the same situation, for example regarding the Xikhelene's legal situation or the transference of vendors has revealed a lot about power and how the different operators were involved. Some of the content of the material also demanded what

Thagaard (2002) describes as a *person-based* analysis, using narrations about how individual vendors had developed their activity, how the marketplace is important for them or how the reconstruction affected their activities .

3 Theoretical Framework

This part consists, first, of theory on informality and then relevant theory on urban governance. Theory on *informality* was chosen because it will pose understanding for the growth and dynamics of the Xikhelene and the discussion on *formalization*. The discussion on formalization is given some attention in sub-chapter 3.1.3. Furthermore, as formalization occurs through processes of decision making and as this thesis examines a particular process of decision making, this chapter will also discuss theory on governance, in sub-chapter 3.2. The particular urban setting will be prioritized. As policy makers regard principles of participatory governance and substantial democracy as particularly important during formalization processes, this will also be examined. A suggestion on how these two bodies of theory may be combined; informality and governance will also be considered in the concluding sub-chapter 3.3.

3.1 Perspectives on informality

This chapter consists of three theoretical approaches on informality, first *early approaches* and then the current, dominating approaches: the *legalist approach* which is a Neoliberal approach and the *informalization approach*, which is a Marxist approach.

3.1.1 Early approaches

Informal work is often defined as the activities that take place outside formal wage-labour market, such as self-employment as well as illegal and clandestine work (Munck 2002). The earliest models on informality were developed during the 1960s and 1970s and stem from concepts put forward by the modernization theory like, for example Rostow's (1960) distinction between the traditional and the modern sector. These approaches explained informality as the *traditional sector* or simply as *marginality*. Already at this stage, the discourse had a *dualist* view on informality versus formality, and informality was regarded as a temporary state caused by underemployment, due to the urbanization that occurred faster than industrialization. This early theory predicted that this sector would be absorbed as growth of industrialization and modernization of society created jobs. Marxist writers from this earlier period argued that there was no incentive for capitalism to upgrade urban, marginal masses because they served as an «excess reserve army of workers»

(Portes & Schauffler 1993).

Later it became clear that the informal sector was by no means a transitional phenomenon. An ILO research in Kenya 1972, «Employment, income and equality, a strategy for increasing productive employment in Kenya» proved that the informal sector was rather expanding because extralegal activities became necessary, as wages provided by the formal sector jobs were not sufficient to sustain households and because not enough new jobs were created. Then the term «informal *sector*» was applied internationally for the first time. Both the 1972 ILO research and a contemporary article by Hart, published in 1973 present an optimistic image of informal labour, emphasizing that the informal sector may work as a safety net for the unemployed and that it may open possibilities for entrepreneurship and economic growth (Chen et al. 2004). Hart's article is described as a breakthrough because it yields an explanation on why and how the Third World's growing shanty towns function. ILO adopted a definition that seems important for the later *legalist* approach which brings an even stronger emphasis on informal workers as entrepreneurs, underlining that the informal sector has a «low entry barrier to entrepreneurship». This can be explained by the fact that self-employment was not necessarily connected to poverty, but could sometimes bring more profit than formal employment (Chen 2007).

However, with the dualist approach, the “informal sector” was still associated with poverty and as a safety net for the poor and unemployed. It was normally defined through a bundle of *typical characteristics*, which contrary to the “formal sector” are recognized as: small scale activities, traditional, family/individual ownership, labour-intensive, subsistence oriented, indigenous technology/inputs, unregulated/competitive markets, ease of entry, informally acquired skills, minority of workers protected by labour legislation and covered by social security (Chant 2002).

3.1.2 Current approaches: the legalist approach and the informalization approach

More recently, two contemporary interpretations may be used to explain the expanding informality in the third world. One of these two is connected to a neoliberal stance and points out state regulations as the root of informalization, as entrepreneurs seek to escape inefficient and unrealistic state regulations (Lindell 2002). Hence, it may also be referred to as a *legalist approach* (Chen et.al 2004). The Peruvian economist Hernando de Soto has provided the main contributions to this approach. The work *The other path* from 1989, based on empirical findings from Peru and conducted by his institute shows that operators are driven into informality by the legal obstacles

they meet when trying to start a factory or other business. De Soto's contribution shares some features with Hart's approach. For example, informality is characterized mainly as a consequence of urbanization and poverty in third world countries (Portes & Schauffler 1993). The informality has roots in the poverty and overpopulation of the cities due to migration, which leads to the existence of a population that the established formal system cannot absorb. However, the problem does not lie in the poor population, but in the system which is too rigid. Furthermore, the earlier «safety-net» definition is abandoned: informality is preferred, it will out-compete regulated activities and even though the phenomenon is connected to poverty, the operators are not necessarily poor (de Soto 1989).

The legalist approach is an optimistic view because it characterizes the informal operator as an active entrepreneur. To make the most of this resource, de Soto encourages the knock-down of state regulations. Hence, the legalist approach has been embraced by the policy makers of the time, during the shift from Keynesianism to Neoliberalism in the 1980s and 1990s. Another reason for its popularity may be that the hardening international economic competition escapes criticism, as the mercantile state becomes rather the oppressor (Portes & Schauffler 1993). For neoliberals, de Soto in his later work: *The Mystery of Capital* also offers a favourable explanation on why informality increased during SAPs and opening of economies. Poor people are excluded from economic participation because of high entry barriers to formal institutions so that their assets cannot be turned into capital.

In *The Other Path* various empirical studies by the Peruvian ILD are used to prove how and why informality has been getting hold. The examples are mainly historical and show the development of informal transport, housing and trading among the poor, urban population in Lima. The empirical work within these sectors shows that theory works well to explain a great variety of informal activities. The excluded people act like entrepreneurs, they screen the different accessible possibilities to find a place to live, to earn an income and overcome the eventual obstacles. This activity taking place outside of formal regulations becomes a reason for a great variety of organization, cooperation and competition. Thus, a strength of the legalist approach is that it has explanatory power for informal governance, informal institutions and informality as a socio-cultural feature. For example, people without access to formal institutions will have to develop new or make use of use traditional institutions, such as organizations, arrangements and unwritten rules, as exemplified by Lindell (2001). Hence, it may serve to explain informal governance as well as informal economic activity.

But the legalist approach also has its shortcomings. For example, the choice of empirical examples shows that it mainly regards informality as a trait among the poor and the small

enterprises in the third world, which is problematic for various reasons. First, it does not clarify why the regularized economies of many industrialized countries, for instance in Scandinavia, have not created an extensive informal economy. Second, it does not explain generally informalization in industrialized economies. Third, for authors of the informalization-approach, the manufacturing sector has been used empirically in order to document links between the formal and the informal. Since the empirical examples in «The other path» exclude manufacturing, it has not been sufficiently considered how the informal economy can be connected to the formal. For instance, how many large companies hire workers «off the books», an action that proves the existence of such a connection. This will suggest that informality takes place in other settings as well. Hence, the legalist approach may be criticised for dealing only with the visible informality, the one that can be seen on the streets of the third world cities. The consequence may be that people talk about informality exclusively as something that happens on the street, among people lacking financial means, who violate regulations, public space and so on (Portes and Schauffler 1993).

Since the informal operators are optimistically portrayed as «actors» and not as «victims» one may ask the question: do they choose informality, or are they driven into informality? When for instance Chen (2004) refers to the legalist view, she describes it as, «plucky entrepreneurs» who *choose* to operate informally. But the way De Soto explains it, it does not necessarily appear like a free choice, for legality is a privilege available only for those in possession of economic and political power. De Soto conducted a fieldwork, exploring the opportunities to open a street kiosk or to sell from a pushcart within the limits of the legal framework and found that the tax policies and the bureaucracy were abysmal. He concluded that it was nearly impossible for poor people in Lima to not break the law when conducting necessary, economic activities. Hence, the poor are excluded and they have no alternative but illegality (de Soto 1989). It seems then an ambiguity to blame the system for the informality and at the same time optimistically portray poor people as entrepreneurial actors who choose informality. This apparently remains unsolved and I think it is important because the legalist view is influential and its definition may influence the way policy makers talk about informality. Portraying informality as a voluntary state will, for instance, make small scale traders more responsible for their own situation. Thus, the transgression of the law will seem less legitimate, which will lead to less questions asked and less opportunities for resistance, when the state or other operators impose changes in their environment that negatively affect their activities. This may be further exacerbated by, as Castells & Portes (1989) criticize, the lack of a conceptual difference between informal work and crime. As opposed to crime, informal work results in a legal product, but the activity itself may, depending on local legislations, be defined as extralegal and criminal. However, since it is important for de Soto to portray the informal actors in a positive way

and as a source for economic growth, this criticism may be a lot more relevant for conceptualizations that draw on the earlier approaches.

Another theoretical approach to informal economy is a Marxist structural approach, or neo-structural approach, referred to as the *informalization approach*. This approach is the most system-critical. It claims that informal economy is not a transitional phase, but that increasing informalization is rather a feature of late capitalism and globalization. It draws on earlier Neo-Marxist concepts which provide explanations on why it may be preferable for an operator within the formal economy to have a connection to the informal (Lindell 2002). Writers of the informalization approach, like Castells & Portes (1989), claim that informal work is a result of exploitation of non-institutionalized labour in order to profit from undefined relations of production. Hence, the formal and the informal are interconnected: informality is not a strategy, but a manifestation of specific relations of production. Informal labour may be described as waged labour in the same manner as any labour, except that work relationships are disguised so that workers do not enjoy the rights given by a formalized employment relation. As already pointed out, the earlier approaches describe informality as a transitional feature of third world economies on their development path towards capitalism. On the contrary, the informalization approach explains it as an increasing, global tendency due to the sharpening competition created by globalization and knock-down of state regulations, all this stemming from the crisis that occurred in the Fordist model for development (Munck 2002). Knutsen (2006) applies Harvey's «The new imperialism» from 2003, to explain the informalization processes as a feature of late capitalism, as capitalism is in need to create an outside of the formal by «throwing workers out of the system» to circumvent the pressure of over-accumulation. Moreover, the workers are *dispossessed* of the rights that come with a formal proletarian status. In addition to this, informalization will also facilitate a greater flexibility of access to labour and suppliers, which has been increasingly important for Post-Fordist competition. The informalization approach is supported by the fact that informality is proved to be increasing, not decreasing and that it is not solely a feature of the third world, but also an expanding tendency in more institutionalized economies (Castells & Portes 1989).

Since formal and informal systems are interconnected, it becomes misleading to treat informality as an isolated *sector* because this definition closes the boundaries between the formal and the informal. Consequently, informal *economy*, becomes a better term than informal *sector*. Economic activities operate within a continuum of degrees of informality, with total informality at one extreme and total regulation at the other (Chen 2007). As proved by Roberts (1989), a firm operating within the formal system may be partly dependent on informal labour, informal

subcontractors or more stable suppliers. The degree of formality and informality of an economic activity may be permanently changing, so it becomes more fruitful to explain informality as a process and not as an object or condition. For example, a company can change subcontracted projects, agreements or other actions passing from formal to informal. This is why informality is referred to as a movement or characterized as increasing, an idea properly rendered by the term *informalization*: as a present participle that refers to a process or something that is evolving.

Moreover, this approach yields an all-encompassing definition on informality that breaks away from the arbitrariness of the *typical characteristics* of the early approaches. Formal arrangements, institutions, laws or rights are assets that may be traded, lost, dispossessed. It does not necessarily have anything to do with poverty, as these processes may take place within the corridors of power as well as among the poor. Another advantage is that the informalization approach establishes a sharper separation between informal economy and crime. Castells & Portes (1989) describe crime and informal economy as structurally linked to the formal economy in fundamental different ways. Another merit is that a conception of informal economy as connected to the formal one, opens the possibility to create a model for the segmentation of different informal activities and it explains their diversity by placing them along a continuum that describes degrees of informality, from total formality to total informality (Chen 2007).

3.1.3 Some approaches on formalization

For most policy makers, informality has been seen as undesirable. However, de Soto's (1989) contribution, *The Other Path* cherishes the self-employed, informal entrepreneurs, but still, in his work from 2003, he claims that capitalism cannot function with total informality: with a missing *common language* for economic transactions, people's assets cannot be turned into capital, but be a subject for sporadic, informal and unpredictable arrangements. In turn, informality hampers economic growth. In his volume of 2003, de Soto introduces property rights on poor peoples' assets as a solution. The CLEP stresses that informality excludes people from the rule of law, causes social exclusion and vulnerability. They also claim that it undermines a functional democracy, as poor people's claims on their informal ownership, even though crucial for their everyday survival, do not become subject for fair political processes. They become helpless when for example powerful actors claim ownership to their residents or assets (CLEP 2008). ILO and the CLEP share many aspects. However, ILO's concern is more directed towards that labour rights and labour standards are weakened as a result of informalization.

At the same time, a total formalization through enhanced regulations may be neither realistic nor desirable. De Soto's (1989) solution is thus important in this respect, because it calls for down building of regulations in order to encourage informal entrepreneurship rather than preventing it. Being able to operate informally is a necessity for the activities of many third world people, as it poses an opportunity for entrepreneurship. Portes & Scauffler (1993), as well as ILO (2006) agree with de Soto and argue that small enterprises should be given an upper hand by being able to “go informal” and break the rules, as it gives them an competitive upper hand. They also claim that too strong state regulations and international labour standards is a very reason for informality, as it will conduct the companies to appeal to a greater deal of informal employment, leading therefore to a «race to the bottom». Hence, policy recommendations of the ILO and the CLEP are quite similar in the way they seek a balance between the dynamics of regulations and informality. A main difference however, is that ILO primarily maintains a focus on informal work relations, whilst the CLEP to a larger extent concerns itself with the informal self employed. Hence, the LEP becomes very relevant for this thesis, as it examines a retail market with vendors who are, for the most part, self employed. ILO suggests that labour standards have to be adapted to the financial opportunities of each particular country (ILO 2006). The LEP seeks to impose a pro-poor policy by creating institutions and rules that are accessible and understandable particularly for the poor. The LEP also seek to repeal laws and institutions that marginalizes the poor. In sum, it is important for the analysis of this thesis to maintain that the rules, that are imposed as a part of the formalization strategy, have to be enforceable and they have to be realistically abided if the formalization is to be successful.

For both ILO and the CLEP it is crucial to facilitate the creation of representative organizations and open an opportunity for participation in the implementation of policies (CLEP 2008, ILO 2006). This is marked by a general aim of conducting democratic practices. However, if the aim is to empower poor, informal entrepreneurs and workers and to avoid social exclusion and vulnerability, local participation can be a valuable tool for a successful formalization. One relevant example may be taken from the findings of an article by Lyons & Snoxell (2004), of a study of informal, urban retail markets in Accra and Dakar. They claim that such traders often rely on the social capital of family and friends which is often based on the proximity embedded in the system of the marketplace. Thus, during relocation of marketplaces as a part of the formalization process, a throughout local consultation is necessary in order to avoid breaking the systems that the traders rely on.

3.1.4 Summary

The previous sub-chapters present three perspectives on informality. The first, earlier views see informality as an isolated *sector* of activities performed by the unemployed, ready to be integrated into the formal sector as the economy grows. It came into existence due to a rapid urbanization and population growth that was not followed by economic growth. Hence, informality often takes place where there is poverty. With less regulations and tax, the informal sector also has a low entry barrier. This element is taken further by de Soto (1989).

The second is a *legalist* view that has similarities to the earlier view in the way it primarily regards informality as a trait among poor people. However, the reason for informality is not first and foremost the missing economic growth, but rather that entrepreneurs avoid the formal sector, as the legal barriers for entering are too high. The legalist view has had great influence on policy makers, like ILO, but particularly the CLEP in which de Soto himself is a member. However, the CLEP poses an extended notion, which describes the general inaccessible or insufficient institutional framework as a reason for informality. Hence, informality is not just a result of poverty, but also of the legal context. In this thesis, informality in Maputo will be explained in relation to the legal framework. It will also be explained how formalization occurs as an attempt to adapt a new legal framework. The legal framework thus becomes important to understand the functions of the Xikhelene market..

The third view is an *informalization* view that explains formality as formalized relations of production. Informalization occurs when these are being built down due to the structural changes in the processes of capitalist competition. Important for this thesis is then to note that the formal and the informal are intertwined, as this view introduces a continuum from activities being formal and regulated to informal and totally unregulated. For this thesis, it is also important to stress that a formal status is seen as a *political capital* as there are rights that come with it.

Some approaches to formalization have also been discussed. For this thesis, it is important to note that formalization is necessary because informality causes exclusion from the rule of law and thus undermines a functional democracy. However, a total formalization may be disadvantageous, particularly for poor people, because informality poses an important opportunity for entrepreneurship. Informal actors may also be dependent on complex informal systems for their income generation, which should be considered during formalization.

It must also be maintained that formalization has to be balanced and realistically enforced and abided. ILO stresses that imposing regulations has to occur within the limits of a financial

frame and that some informality thus has to be tolerated. The LEP strategy seeks to formalize by lowering the legal barrier and adapting the law to make it accessible for poor people, which also may be seen as a *balanced* formalization.

Both ILO and the CLEP stress that a democratic governance and local participation with representative organizations is crucial, both to secure the rights of the subjects and to make sure that all aspects of informal activities are considered in the strategy. How formalization occurs in a process of decision making is examined in this thesis.

3.2 Urban governance and new democratic ideals

Changes driven by the processes of globalization have created a need for both academics and policy makers to broaden concepts of democracy and the discourses of citizen participation in urban governance. The concept of globalization is often referred to as a process by which capital flows, labour-markets, commodity markets and organizations are increasingly interdependent throughout the world (Castells 1998, in: Beall et al. 2002). The new division of labour resulted in crisis as tax-revenues fell due to the relocation and the following unemployment and as state expenditure increased due to unemployment and short-time working (Fröbel et al. 1980). In addition to this, the democratic institutions of the Fordist state did also prove ineffective to handle the increasing complexity of state tasks (Fung & Wright 2001). The crisis of the Fordist state challenged the state power and marked a shift towards a decentralizing Post-Fordist «hollowing out» of the state, where the state was loosing many of its functions to sub national and supranational levels (Goodwin & Painter 1996). This shift was also pushed forward by a new neo-liberal hegemony (Leitner et al. 2007). The dispersion of power created a need for rethinking perspectives of political power which resulted in a scalar shift from seeing the state as the main decision maker, to moving focus towards the local scale, for example towards the significance of civil society, and towards the global scale, for example towards the international institutions like the World Bank, the IMF or the UN. The process of power-dispersion and the new interrelatedness between the global and the local scale have been referred to as *glocalization*. Dispersion of power to networks of participants did also create a shift in the concept on how society is governed, from the role of the state, towards on how power is shared in networks of actors, thus introducing the term *governance* (Swyngedouw 1997 in: Millstein 2007).

3.2.1 “The local” as the new space for development discourse and policy making

For development discussions, the discourse of *glocalization* was a part of a post modern turn. It created a focus on diversity, the particular characteristics, the interests and the culture of the local instead of the earlier, holistic development-theory and all-encompassing development-policies. Holistic modernization-theory based on for example classical economics or dependency theory was criticized for being irrelevant and for not having effects on the problems it is supposed to address. With a focus on characteristics of the local, the policies of development-agencies have increasingly been encouraged to base its insights from below through local participation. Development theory should be advanced the same way, from below and with inductive methods. It was now put less emphasis on what the state could do or what development-agencies could do to create development, and more emphasis on how local communities could contribute to knowledge and what they could do themselves to promote their own agendas and change. Hence, the local gets a new power of discourse in the development of theory. This perspective «from below» was a starting point for new «alternative» development-agendas of *empowerment* and *participation* of local actors (Edwards 1994).

For example, Dudley (1993) criticizes how development programs destroyed local communities or how they eventually fall apart as local people were not taking part in them. He calls for a development-strategy where local people should set their own agendas, and participate in development-projects. Participation is supposed to be seen as a goal itself, as this was a way people could be *empowered* to make changes. Friedman (1992) divides empowerment in three «powers». First, the *social power* is an access to the bases of household-production through the knowledge, information, and participation in social movement that is needed. *Political power* in this context, refers to as an access and influence in the political processes that affects ones own life. Alias, a definition that is extended from just a power to vote. *Psychological power*, he describes as being confident of ones ability to create changes. This is taken further by Rakodi (2002) who applies a figure of *livelihood assets*. Strengthening livelihood assets is a “bottom-up” way of combating poverty, which may be achieved by empowering the household's¹⁰ *powers*, which is here understood as capital. This capital is divided in five categories: human, social and political, physical, financial and natural capital. Relevant for analysing a political process of decision, may be the household's social and political capital, which corresponds well with Friedman's (1992) political power:

¹⁰ The *household* is often used as the common *local* geographical unit.

Political power concerns the access of individual household members to the process by which decisions, particularly those that affect their own future are made (Friedman 1992, p33).

3.2.2 The local as the space for democratic practice and resistance

As importance is being put in the local as a political actor and as a participator in processes of decision, participation of the local also becomes a question of democracy. As well, through the shift of power from the state towards the local, it became necessary both for academics and policy makers to look for alternatives to the democratic ideal-model, and to broaden the understanding of democratic ideals. Traditionally the concept of democracy has been understood as an *electoral democracy*, a functioning democratic ideal model with democratically elected institutions governing society on behalf of the population (Rhodes 1997). With the decentralisation of state functions and as decisions are being made on new arenas, it has also been necessary to broaden the scope of the democratic model to include these new arenas. Consequently, the democracy has to be an inclusive one, or a *substantial democracy*: where the different voices of interests are heard and are able to negotiate in processes of decision. A strong substantial democracy has to imply policies that facilitate participation of the myriad of new spaces (Törnquist 2004).

Within this scope, it has first and foremost been shed an optimistic light on the *civil society* as the arena where citizens should be given a better opportunity to organize, and to participate in governance, in shaping discourses and practises, to exercise control over decisions that affect their own lives and to hold the state accountable (Fung & Wright 2001). Furthermore, *civil society* is a buzzword that has extensively been an object for academic discussions. Tostensen et al. (2001) presents a quick overview of different strands. Most of these have had a normative, optimistic view and presents it as if everything that goes on in civil society is within public interest. Civil society has, for example, been presented as a carrier of cultural norms and values. It promotes solidarity and communitarianism through thrust and co-operation. It is based on moral principles and it is synonymous with a good society. Furthermore, the civil society has been presented as a sum of different organizations and activities that contributes to civil life. It is assumed that the sheer multitude and variation will create a vibrant, democratic society. It has also been normal, especially for neo-liberal policy makers or the donor-community to place civil society in opposition to an autocratic or centralized state as a countervailing power representing public interests (Tostensen et al. 2001).

The Post-Marxist view on civil society share the same optimistic view on civil society as the neo-liberal view. The civil society represents a political space that can bring a more diverse, auto

centric and socially relevant development, than the politics of the state. But for Post-Marxists, the politics of civil society, as conceptualized by Mittelman & Chin (2000), is an expression of *resistance* against the both the centralized state and the hegemony of global economic liberalization. Among the literature on resistance, Friedman (1992) created a model that may be connected to definitions on informal economy. According to him urban, civil resistance in the third world is even a direct result of structural conditions, created by the entry of transnational corporations in the economy squeezing people out of their original habitation. A large part of the marginalized people migrates to cities, where a huge subsistence sector¹¹ is created and where they create protest movements against a top-down distribution of power and demanding enhanced civil services. These movements may in turn develop into informal institutions of self-management within the civil society. He concludes that third world development demands a participating democracy, where institutions of this kind are included in the governance of society, as a civil society domain of organization. More specifically about techniques of civil resistance, these Post-Marxist works draw on Gramsci (1971, in: Mittelman & Chin 2000): power is expressed through a hegemony established in existing laws, institutions and ideology serving the dominant classes. Hegemony implies that the suppressed are co-opted into the logics of these structures and adapt through “self-government”. Somehow, the construction of a “counter-hegemonic consciousness” in milieus that may have an interest in exercising opposition, such as civil society or within the very state institutions, must first be created. Resistance then takes place by “wars of movement”: assaults such as strikes or military action, or “wars of position”: non-violent action such as boycott that impedes the everyday state functions. Polyanis (1957, in: Mittelman & Chin 2000) notion of resistance is a “counter movement” against a development, or “movement” in society that has a negative impact on the social relations or institutions of its participants. In this sense, the understanding of a “movement” refers to the liberalization of markets, which in turn has a devastating impact on various groups. Scott (1990, in Mittelman & Chin 2000) introduced the idea of “infrapolitics”. This is an everyday form of counter-hegemonic resistance through “hidden transcripts” which are invisible to those in power: creation of identities, language, behaviour and lifestyle that contests the way dominant classes have created and narrates society in their favour, which here are referred to as “public transcripts”.

An over-emphasis or an exaggerated optimism on the civil society has been criticized. These criticisms may serve to weaken, or at least complicate the assumption that an emphasis on civil society in governance, easily will lead to a stronger democracy. First, the local has often been

¹¹ Friedman's (1992) version of the term *informal economy*

viewed in isolation and taken out of its context of broader economical and political structures which determines how politics of the local are played out (Mohan & Stokke 2000). Second, the complexity within civil society may remain unexplored, due to the already explained sheer optimism, the common normative approach and the shallow assumptions of the dominant ideologies (Mercer 2002). These assumptions have often been over-romanticizing and essentializing. Thus, it may be forgotten that the civil society consists of divergent interests, social inequalities which may be struggling against each other and be a source of conflict as well as democratic development. The assumption that the civil society is representing public interests, disengaged and opposed to the state has also been questioned. An example may be the domain models applied by Friedman (1992) or The World Bank (1997), which separates political operators into distinct domains, such as the state, the civil society and the private sector. In practice, networks of power and interest may be intertwined and stretch across the domains, as described by Lindell (2008). According to Azarya (1988, in Sjögren 1998) civic associations could might as well be incorporated in state politics and aims. Or, one may talk about a continuum from incorporation to disengagement. Thus relations and interactions to the state may differ from oppositional to clientelist. For example, organizations may be used as institutions for providing services and thus, mainly with the aim of reducing state financial expenses rather than civic participation (Blakeley 2005). Discussing this problem in the light of the term *empowerment* presented above, Dudley (1993) claims that *participation* could be misunderstood in several ways and applied in weaker forms. For example, for many governments and development-agencies, participation has become a necessity to reduce the costs of development projects. Participation has also been used to consciously make a development project seem less paternalistic than what it really is. Hence, if the subjects of a participation-strategy are not actively taking part in- and have the opportunity to change a decision-processes, the political capital has not been strengthened and the participation strategy is not fully empowering. But, the error may also lie in the organization's structure and aims. For example, civic organizations may be embedded in pre-existing cultural hierarchies that work in the interests of their members in collaboration with governments (Beall 2001). The term *cooptation* as applied by Shleifer & Treisman (2000), poses an explanation for a state strategy for dealing with civil resistance to its reforms. A stakeholder may either be “expropriated from the stake that gives him leverage. Or he must be coopted”. By the term *stakeholder*, they do not refer to the entire group affected by a reform, but certain, powerful, social actors within that group. Cooptation implies:

...not dealing the stakeholders out of the game, but dealing them new cards. The reform entrepreneur does not remove the stakeholder's veto-power, but creates incentives for him not to

exercise it (Shleifer & Treisman 2000, p 9).

The state will by various means seek to create such incentives, through persuasion or making benefits or rents that the stakeholder will be offered in return for not opposing.

3.2.3 A central role for civil society through neo-liberal reforms

The neo-liberal view on the role of civil society in politics of localization, has certainly been the predominant one. It has been advocated through the influence of Western supranational organizations, particularly the Bretton Woods organizations, like the World Bank, the IMF, the WTO, but also the UN. This has mainly happened through the SAPs in the eighties and later institutional reforms, but also through discursive power. Also, the supranational organizations have had power to conduct policy-changes in the third world, but the mere existence of foreign aid has also influenced recipient countries even long before the SAPs were implemented. Furthermore, it has been in the interests of donor agencies, aid-organizations, NGOs and so on to influence political practices in their working-countries. Institutional reforms, democratization and human rights have occurred as various conditionalities for aid. These conditionalities became even more demanding after the end of the cold war, as the West then no longer saw it necessary to cooperate with authoritarian regimes. The West has enjoyed legitimacy for its pro-democracy conditions through, first, the fact that this often has been a demand from various domestic groups within the aid recipient countries. Second, in the nineties the world saw a general wave of democratization, predominantly in Latin-America and South East-Asia. Third, the later failure of the SAPs to achieve satisfying results, was directed at bad governance and corruption in the recipient countries. This created a recognition that the political conditions had to be made right for development to be achieved (Smith 2007).

Western democratic policy-conditions have been implemented through ideals of *good governance*. Good governance has been defined differently at different times and depending on the promoting institution or agency. The separation of the terms government and governance must not be taken for granted, as the current definitions on good governance at times mainly have pursued changes in the state management. During most of the 1990s, the term contained a democratic state, special policies for poverty-reduction and enhanced civil services and the «right» economic policies, which usually mean trade-liberalization and privatization. State institutional reforms were also promoted to decentralize the government and make it accountable, with functioning legal and

judicial systems. Good governance-agenda has also been associated with liberal, capitalist ideology, a package of: liberal democracy, free enterprise, free trade, free markets and a minimalist state. In other words, the good governance ideals have mostly been associated with the neo-liberal agenda (Smith 2007).

The importance of civil society's participation has increasingly been taken into account. First in a lighter way, to play a role for encouraging political accountability, legitimacy, transparency and participation in politics. Later on, particularly at the end of the 1990s as the network-oriented approach on governance became stronger, good governance has come to mean a deeper involvement of non-governmental bodies like private firms, NGOs, CBOs and so on, both in implementation of public policies and public services. The state should function merely as a facilitator for democratic negotiations and debates between these organizations. Thus political authority has to be decentralized (Smith 2007). This last notion of good governance has been crucial for the later understanding of citizen participation in development. For example the UNDP Human Development Report of 1993 «People's Participation» completely circles around the idea of decentralizing the state and promoting citizen participation in governance (HDR 1993). It has also affected The World Development Report 1997 (World Bank 1997) in addition to earlier notions:

Governments are more effective when they listen to businesses and citizens and work with partnership with them in deciding and implementing policy. Where governments lack mechanisms to listen, they are not responsive to people's interests, especially those of minorities and the poor, who usually strain to get their voices heard in the corridors of power. (...) Partnership involves bringing the voice of the poor and of marginalized groups into the very centre of policy making process. In many countries voice is distributed as unequally as income. Greater information and transparency are vital for informed public debate and for increasing popular thrust and for confidence in the state.... (World Bank 1997 p10)

3.2.4 The frame of *urban governance*

The term *governance* is somewhat confusing because it has been used in many different ways. First, it has often been used interchangeably with the term *government*. In this thesis, government represents the formal, governing institutions. Governance represents the way society is being governed and all operators that may be influential, from state institutions to powerful, foreign entities like the Bretton Woods-institutions to companies or local CSOs. Hence, governance is a broader term than government.

Second, the term governance has been used both as a tool for explaining how decisions are being made and as a definition that explains the Post-Fordist mode of regulation itself. This last definition has been useful for, for example describing the new politics of the Post-Fordist shift

«from government to governance» (Rhodes 1997). Here, the first approach becomes more relevant: The term governance is used as an explanatory tool rather than something that has to be explained. This thesis seeks to analyse a particular process of decision, so the role of relevant actors in the description of this process must be considered. The degree of state-power centralization becomes a different matter in this instance (Goodwin & Painter 1996).

Third, one may use either a state-centric or a more society-centred approach. The state-centric model refers to how the state has the capacity to steer and how it opens opportunities for other influential actors to operate. The society-centric approach has a focus on self-governance manifested in different types of partnership-networks. For this thesis, it has been important to emphasise the role of civic actors in the ideal of creating a democratic governance. I will also describe the state as an operator itself with certain goals to achieve in negotiation with civic actors. Furthermore, the role of the state is central for creating a framework of influential policies in which civic actors operates, opening possibilities or making limits on the performance of civic actors. The role of the state and its relation to the civil organizations has a main focus in this thesis (Rhodes 1997, in: Pierre 2000).

Fourth, governance has been used both for describing *systems* or arrangements, like networks of governing operators, and for describing processes, like decision-processes. I find it more useful to use the governance term for describing a process, because it seems that the participants in a network, especially in a third world urban governance context, vary from one decision-process to the next. Still, of course, a process of decision will depend on an pre-existing network of operators (Goodwin & Painter 1996). I will use the Tostensen et al. (2001) definition: «Governance refers to *practices* rather than formal institutions and can be understood as the general manner in which people are governed, but not exclusively by the institutions of government». In this thesis, for the second part of my problem, I will analyse one certain decision-process, the various participating actors with influence on the process and how the state created a certain framework in which the process was exercised (Pierre and Peters 2000, in Millstein 2007).

Furthermore, I will use an *urban governance*-lens when analysing this process, which usually includes typical characteristics on actors involved in urban decision-making. This will, according to Beall et al. (2002) for example imply taking a myriad of different operators into account, like civic associations, private-sector organizations, community-groups, and social movements in addition to state institutions. As many operators takes part in the processes, it is important to take the potential complexity into account, when analysing urban governance. For example Lindell (2008) writes about an *informalization of governance* when describing a situation

in which decision processes take place outside of the formal political arena, for example through networks, contacts, political corruption and lobby. The political power exceeds the legal framework. Power may also be situation-dependent, depending on the changing constellations between different actors and their aims in the particular political process, which changes from one situation to the next. This creates a scene for urban governance, where analysing formal institutions and static networks of representative organizations and their formally stated aims may be insufficient (Lindell 2008).

3.3 Summary

This chapter has discussed new definitions and ideals of democracy in the wake of a Post Fordist dispersion of state power. It is argued that the term *governance* has become the best way to catch the way politics are being played out in this context. For this thesis, the term governance is used as a tool for analysis and therefore operationalized in sub-chapter 3.2.4.

As state power has been decentralized, a greater attention has been paid to the role of civic organizations, which have taken over many of the state's former tasks. Civic organizations are expected to play a crucial role for the quality of the *substantial democracy*, which has become a new democratic ideal, replacing the ideals of an electoral democracy. The substantial democracy is marked by a larger degree of public participation in decision processes as it takes place on a local scale instead of on a national scale. The civic organizations are expected to be a tool for civic interests when taking part in the decision-making and are supposed to represent the interests of their groups and be able to demand responsiveness from the state. This occurs through processes of negotiation or through resistance. Civic organizations may also function at an international scale, as multinational corporations and organizations also take part in local decision-making processes. In this thesis, the role of two civil organizations, the Xikhelene market committee and the ASSOTSI, and their relation to the state will be discussed.

Optimists have claimed that a stronger civil society will eventually lead to a stronger substantial democracy. These expectations are embedded in a *good governance* agenda promoted by large, supra-national organizations such as the Bretton Woods organizations and the UN. These have been attempting to facilitate the participation of civic organizations in their democratization agendas. However, for this chapter it has been crucial to discuss the various criticisms addressing the way optimists assume that a stronger civil society automatically leads to a improved substantial

democracy: First and foremost, the term governance as it is being used here describes a complex scene and it is difficult to make any overall claims about what role the civic organization will play. For example, it may be working in the state's interest as well as opposing it, through “weak” strategies of participation. This may imply representing the interests of the organizational leaders and members rather than its base, being solely used by the state as an institution for providing services in a cost-saving manner or being integrated in state agendas through state strategies of cooptation. In this thesis, the agenda of the Xikhelene market committee and the ASSOTSI, how they are located within a structure of governance and the outcome of their relations with the state will be discussed.

To bring together the two bodies of social science presented in this theory chapter, Hansen & Vaa (2004) in the volume *Reconsidering Informality*, pose a useful contribution for this thesis. They combine these two discussions the following way: It must be specified that the discussion of *formal/informal* has to be related to governance as well as economy, because income generation depends on entitlements such as laws and ownership. Such entitlements are continuously shaped by political negotiations over policies. On the basis of this understanding, it becomes hard to distinguish the formal from the informal. First, the very policies may be informally adjusted or shaped to fit certain interests. These are likely to be the interests of powerful citizens. Second, to what extent regulations are enforced may also be a question of power. Third, formal, economic entitlements may be obtained informally.

Hence, what is defined as formal and informal will shape governance and power relations, but it may also be subjected to it. Thus, as Hansen & Vaa (2004) claim, “the urban space is not so much a product of an overall regulatory system as it is a dynamic field of interaction for economic, social, cultural and political processes” (Hansen & Vaa 2004). This additional theoretical contribution is relevant, because *formalization* in this thesis will be explored as a process of decision making in which various operators and their agendas are relevant.

Jenkins (2004) in the same volume, holds that it may be even dangerous to maintain the strict dualist approach to informality, putting an exaggerated legitimacy into the term or allowing it to become self-explanatory, as the very definition of the term may serve to reproduce unbalanced power relations and lead to further exclusion and marginalization.

4 The political and economic context of the case-study

The aim for this part is to portray the social situation in which the Xikhelene market has developed. Some of the information is used as empirical findings which will confirm or question fieldwork results and will thus contribute to the analysis.

The chapter draws further the topics raised in the theory chapter and seeks to create a background for informality and the setting for urban governance in Maputo. This will in turn give an idea of what challenges policy changes, such as *formalization*, have to meet. First, sub-chapter 4.1 presents a few discussions on the general development the post liberation African city and will serve as an introduction. Then, sub-chapter 4.2, will briefly give account for the economic development in Mozambique. In in sub-chapter 4.3, the informal nature of urbanization in Maputo will be explored. In sub-chapter 4.4, some general reasons for informality in Maputo will be discussed. The last sub-chapter, 4.5 will look at governance in Maputo, particularly the development of a civil society and the role of the state.

4.1 The African city

Regarded from an European point of view, the governance of African cities might definitely seem dispersed. It is not only the formal governmental institutions that make decisions, but a wide range of administrators of the civil society take part in this process: community based- and grass-root organizations, NGOs, trade-unions, religious organizations, formal and informal businesses, and so on. The growing influence of the civil society is assumed to have a democratising effect, but there are certain implications regarding this supposition. It is a problem that theory and assumptions regarding the term *governance* originally derives from the Post-Fordist experiences of developed countries and that this is insufficient to describe the African context (Tostensen et al. 2001).

First, the particular social conditions of African cities have implications for urban governance. It is important to note that African cities have gone through an urban crisis during the decades after liberation from colonial rule. To illustrate this briefly, the rapid urban growth created an immense shortage of jobs, housing, services and deteriorated infrastructure and schools. Local authorities have generally not been open to discuss these problems, either because of the lack of resources, or because of their incompetence and corruption. They preferred to aggravate the

problems through obstructive or failed state legislations. Furthermore, the neo-liberal SAPs imposed on most African economies to liberalize national economies, have marginalized urban populations even more through wage freeze and weakening the public sector, diminishing social protection and reducing food subsidies (Tostensen et al. 2001). Still, African cities continue to grow. And as states fail to provide an institutional and legal framework that may serve urban residents in their pursuit of job, shelter and services, citizens obtain what they need collectively using informal means. As a result of this, and of the new political rights stemming from democratic transitions, there are an increasing number of civil groups that informally aim to meet people's needs. Therefore, an increasing informalization of politics can be noticed in African cities (Lindell 2008).

Second, civil organizations themselves do not necessarily function democratically. For example, a study made by Beall (2001) on third world cities, shows for example that community organizations often were embedded in pre-existing cultural hierarchies and that they made their decisions taking into account personal interests of the members. The way that many civil organizations collaborate with local government to deliver services, may also hamper their democratic composition and responsiveness to their bases (Beall 2001). Furthermore, according to Lindell (2008), there is a growing literature that shows how the local government uses a «public participation» strategy, where civic organizations are solely used to facilitate delivery of social services. Blakeley (2005) shows how the state used public participation in a way that was shaped by a top-down, cost saving manner, mainly as a result of economic recession, globalized competition, low local government spending and an inadequate welfare system. Even though Barcelona is used as an empirical example in this article, the incentives for use of civic participation may be the same as for African states: dwindling state financial resources.

Third, the state within the African context has often been described as weak, with limited powers, and often as irrelevant. Although, the African state may have limited possibilities to create policies or to control urban development, its presence has not necessarily become less relevant. The decision-making processes may still function in a top-down manner. Even though the civil society has had a growing strength, democratic processes are often dominated by political elites and are often insufficiently accountable for citizens (Devas et. al 2001).

4.2 *The Mozambican economy*

Mozambique was liberated from Portuguese colonial rule in 1975. The liberation movement, Frelimo, transformed itself into a political party and has been the party in power until today. The

transition to liberty was troubled by an immediate economic collapse caused by an exodus of foreign expertise and equipment, inexperienced and insufficient personnel in important positions and an unsuccessful industrialization strategy (Hanlon 1996). The Mozambican economy continued to be largely dependent, not only on export to Portugal, but first and foremost on its neighbour, South Africa (Munslow 1983). Cash income from South Africa also dried up, as far less Mozambican workers were now recruited for the Rand. Mozambique also suffered from heavy droughts and flooding in its first years of independence (Newitt 1995).

At the end of the 1970s, further economic rehabilitation was put to a halt as Mozambique was plunged into a civil war between Frelimo and the rebel movement Renamo, which was created in Rhodesia in order to destabilize Mozambique, as a response to Frelimo sanctions to the Rhodesian minority regime and support for the Zimbabwean nationalist guerilla movement (Hanlon 1996). The sixteen years of civil war from the end of the 1970s to 1992 put a devastating mark on Mozambique and its economy. The main Renamo insurgency tactics were to sabotage infrastructures that Frelimo managed to build up, burn crops and to perform terror actions destroying entire villages, killing both Frelimo state officials and innocent people to promote fear at the countryside. When the peace agreement was signed in 1992, most of the social and economic infrastructures were destroyed, five million people were displaced and the number of anti personnel mines planted in different parts of the country was estimated at one million (Newitt 1995). After the peace agreement, Renamo was disarmed and turned into a political party. It has represented the only realistic, opposition to Frelimo until today (CIP 2009).

During the eighties, as the Reagan and Thatcher governments intensified the cold war, so that stronger conditionalities were set for loans. The Bretton Woods Institutions were thus used to push neo-liberal reforms, like free-trade, de-regulation, privatization, cutting and state expenditure and abolishing price-control and subsidies, in order to stabilize the Mozambican economy. The Mozambican Structural Adjustment Program (SAP), the PRE was introduced in 1987. There are various criticisms on how the combination of deflationary measures through squeezing demand and reducing public spending, privatization and trade liberalization have negatively affected low-income groups in Mozambique and the development of the society in general (Hanlon 1996). State institutions were slimmed down and salaries of lower rank civil servants and bureaucrats were cut.. The most qualified personnel left their positions so that the state lost parts of its means to effectively steer society. With salaries below poverty-level there was an increasing tendency for state employees to take bribes as a coping strategy. When suddenly facing foreign competition, Mozambican companies did either have to close, or sack most of their employees, as earlier labour-

intensive methods proved to be outdated (Bowen 1992).

The current economic situation is market by economic growth deriving from aid and FDI, but with little spread effects and still with a widespread poverty. The Mozambican state has conducted two reconstruction programs, the first from 1995 to 1999 and the second, the PARPA from 2000 to 2004 aiming to restore economic and social infrastructures, determining various priorities for improvements. The PARPA had also a socio economic agenda and a democratic contain, striving to reduce absolute poverty through involvement and initiative of citizens. It contained an aim of decentralizing government action (Diogo 2002).

This has lead to Mozambique becoming the top recipient of FDI among the least developed countries. FDI contributes to more than a half of Mozambique's GDP (Robbins et. al 2008). Since the end of the civil war, Mozambique has had a considerable and steady economic growth of an average annual 8% of GDP until 2004. However, 75% of the current industry is located in the Maputo province (Robbins et. al 2008). Currently, Mozambique finds itself as number 172 among the 182 countries at the HDI ranking, placing Mozambique among the world's poorest countries¹². Mozambique is also among the world's most vulnerable to climate change and other nature disasters (Patt et. al 2009). This may be confirmed by the events of severe floods in 2000 in southern and central Mozambique in which 500.000 people had to flee their homes and 700 people died (Christie & Hanlon 2001).

4.3 Urbanization in Maputo

After liberation, the civil war, better economic opportunities in Maputo than in the rest of the country, floods and droughts at the countryside has led to a continuing expansion of population in Maputo. The colonial institutions that the Frelimo inherited, lacked a clear legal basis for urban planning and particularly not for covering the large scale of lower-income groups entering the peri-urban zones (Jenkins 2000). As a result of civil war and economic crisis, the city administration did not have sufficient skills nor financial capacity to manage the urban expansion, with supplement of enough plots or infra-structure. Consequently, the administration increasingly lost control over the demographic development of Maputo (Jenkins 2001). Frelimo nationalized all land in Mozambique. The use of urban land was covered by the Land Law of 1979 and it was mostly motivated by a rural development focus as it was developed by the Ministry of Agriculture. Access to land for residential

¹² Human Development Report 2009

use and family agriculture was free from payment. There were no clear regulations for how this framework was supposed to function for land management in urban areas, which severe constraint on strategic urban land management (Jenkins 2000). Informal mechanisms for access to land have taken over. Land is commonly obtained illegally and traded among people, inherited or swapped despite being nominally free. Free formal access to land has for the most part probably been obtained through bribes or personal connections to get through the bureaucratic processes, thus making the formal system almost inaccessible for common people and effectively reserved to the economic and political elite. The benefits of informal trade on land may have been great for certain operators. For example, there has been occasions where the political elite used land allocations to increase political influence. There are also other examples of granting favourable land plots to the private sector (Jenkins 2001).

However, for most people, the informal nature of land allocation has proved disadvantageous. The fact that the city has developed through decades of poverty, rapid urbanization and a weak overall planning has created conditions of large scale urban, informal settlements with low standards of living (Jenkins 2000). The missing legal framework poses a social vulnerability for many people. However, for residents the new land law of 1997 allows for occupation in “good faith” after ten years. The CMM has also developed policies for avoiding or minimizing resettlement of residents or loss of infrastructure (PEUMM 2008). Nevertheless, Maputo is a large city with a population now estimated to be about 1.300.000 inhabitants and it is still growing fast. Maputo has the highest standard of living in the country, but extreme poverty in the city is increasing as the economic growth do not follow the rapid urbanization. Furthermore, the CMM's financial basis for solving these problems is scarce, even in regional terms: The per capita budget of the Municipality of Maputo is 5\$ compared the average 15\$ of capitals in sub-Saharan Africa (Paulo et al. 2007).

4.4 Informality in Maputo

My informants among Maputo officials, including the president of the ASSOTSI, used an explanation for informality or *the informal sector* in Maputo, as a result of the poverty, unemployment and urbanization as presented above. They see informality as something that takes place mainly within low income groups. Informal sector is commonly referred to as the street trade, the marketplaces or the informal import. In Maputo it is a tendency for informal street trade, as people are more dependent on cash income through commodity exchange than elsewhere in

Mozambique, as there is less physical space to earn a living by growing crops (Paulo et al. 2007). People cannot afford to purchase sufficient goods within the formal economy, so informal systems become necessary for people to buy food or other important goods and to earn extra cash (CMI 2008). It is documented that informal wholesale has been necessary in order to maintain the necessary food-consumption for the households in Maputo (MOA/MSU 1993).

However, Francisco & Paulo (2006) stress upon that informality occurs within all levels of the Mozambican society: there are people who cannot find other job opportunities than doing informal petty-trade, some entrepreneurs are able to use informal street trade or other informal trade for profit and prosperity, the established, private businesses may often be partly based on informal economic activities and powerful people are able to use their position, through corruption or missing regulations to accumulate wealth. Informality is present within all markets and factors of production in Mozambique and constitutes about 90% to 95% of the national economy. They explain informality in Mozambique in relation to inefficient legislations. According to them, it is Frelimo's unrealistic attempt to control all aspects of economic life, particularly the earlier price controls that created a necessity for informal economy and corruption to get around regulations. They also claim that the Mozambican economy is, although liberalized, still not very liberal. For example, it is very difficult and time-consuming to start a firm. Another example may be that a large part of the population in Maputo live in informal settlements with no property-rights. As described, the conditions in these settlements may be attributed to the policies of urban planning that are too strict on one hand: the state is the owner of all land in Mozambique, and on the other hand: there has not been a sufficient framework for an urban plan that could administer the wave of migrants to the city. Alias, the institutional framework is too weak. The weak legal framework may be explained in relation to the introduction of the PRE. Many of Hanlon's (1996) arguments may be used to link informality to the PRE and the institutional disintegration that followed.

The weak legal framework creates conditions in which the informality is reproduced, as it becomes a natural way for people to solve their problems. They live in informal settlements, many people do not have official identification papers and they earn their money within informal arrangements and informal institutions (Francisco & Paulo 2006). Informal institutions may be illustrated by the way vendors use social networks and create informal institutions for mutual benefit and solidarity, which is generally important in the African context (Lindell 2001). Mozambique is no exception. Households often have to use a wide variety of strategies to support themselves with food, clothes and shelter. Maintaining family bonds, social relations and networks

are crucial for such strategies (CMI 2008). As demonstrated by Cruz e Silva (2003) or Francisco & Paulo (2006), there is a wide variety of such strategies both in Maputo and generally in Mozambique. The same tendency may serve to explain the way civil organizations run civil life and commercial activities.

The weak legal framework also creates a situation in which the political and economical elites in Africa take advantage from the internationalization of their economies engaging in informal trade-networks. The political elite may reap great profits from the seemingly unregulated city. The institutional disintegration in Mozambique created opportunities for large scale corruption and for the political elite to exceed its power beyond the framework of official state tasks. Hence, engaging in informal networks is certainly not just a strategy applied by the poor. Representatives of the political elite in Mozambique may also use its economic and political power within informal networks, pursuing power and wealth (Lindell 2008).

4.5 Governance in Maputo: A room for civil society participation?

Frelimo inherited a highly centralized state with a limited contact with the Mozambican population. According to the general, modern political view deriving from African pre-independence movements, the African state was to make use of the African traditions of communalism or collectivism, but at the same time abandon traditional ruling institutions. Resources were to be unified under a strong developmental state, thus justifying the one party rule (Virtanen 2003). Thus, Frelimo regarded itself as the only legitimate governing party in Mozambique (Grest 1995). As a Marxist-Leninist party, Frelimo dismissed nationalist and traditionalist ideologies in governing institutions. Hence, the Frelimo state had little acceptance for political pluralism and cultural difference. In turn, this hampered the development of local democracy and organizational life in Mozambique. Nevertheless, mass mobilization was seen as important and people gathered to participate in “Dynamizing groups” or “Mass-democratic movements”. These were created to mobilize the population to support government policies, control at the neighbourhood-level and to call up people for voluntary work (Newitt 1995). However, these organizations were rather centrally influenced as the Frelimo state exercised a tight control on governing institutions and there was no clear distinction between state and civil organizations. There was also no freedom of association outside the formal state institutions (Francisco et al. 2007).

Later on, compromises with the traditional authority were made, first as a necessity during the civil war and later after the transition to multipartism in 1990 and the 1992 peace treaty, as from this point, Frelimo had to compete politically with Renamo, which has profile as more traditionally oriented (Virtanen 2003). Gradually, a further distinction between the party and the state has been made, the state has become more decentralized and the democracy somewhat stronger. The Law of the Municipalities was passed in 1994 and created locally elected institutions and increased the role played by traditional authority and civil society (Alexander 1997). The process of decentralisation can also be noticed at a supra-national level, as certain tasks, formerly belonging to the state, passed now in the hands of the World Bank, the IMF or foreign NGOs (Grest 1995). Due to the new freedom of association, many of the state controlled organizations, like the dynamizing groups, broke their allegiance to the state. Consequently more independent civil organizations started to emerge and many of them have now become important for the provision of services in Maputo. Apart from this, many national and international NGOs have emerged, organisations which are often well equipped and have strong influence. Moreover, there has been a rapid increase in grass-root organizations, based on membership and representing various interests. These became particularly important as people increasingly became reliant on informal systems for survival (Lindell 2008).

With the dispersion of power from the state, the state has become less relevant and governance has become informalized. The state has also been using informal means to reach its goals. Lindell (2008), gives an example of governance of marketplaces in Maputo and describes how the local government uses a variety of informal methods to govern the marketplaces and to control opposition of the vendor's association, for example, through clientelist networks or even threats or harassment of individuals. Hence, the informalization of governance, poses great power to those with access to the state. According to Sumich (2008), it is a clear connection between political power and economic power in Mozambique. For example, representatives of the political elite have been able to acquire many of the formerly state owned companies (Hanlon 1996). However, the informality also creates losers. Jenkins (2000) concludes that it is the poor people who benefit less, when formal, political rights are replaced by arbitrary relations of power as determinant for political processes.

Francisco (et al. 2007) claims, with a bundle of quantitative variables that Mozambicans generally have a weak involvement in civil society action, so participation of the citizens continues to be limited. The reasons may be that the state is not capable to respond to the demands of the civil society and that it is dependent on powerful external operators which lack communication with the

civil society. Furthermore, it was just an elite that benefited from market liberalization and informalization of governance, groups that adopted a behaviour of “small dictators” by pursuing their interests through informal networks on the expense of common, public participation (Lindell 2008). It is also difficult to clearly highlight the role of CSOs as they are often used as an instrument for the implementation of state policies (Grest 1995) and that representatives of these organizations rather want to ally with the state than to oppose it (Alexander 1997). Some have argued that this derives from the Frelimo centralized political tradition. Thus, operators of the civil society do not have any experience of opposing the state and the state remains unresponsive to popular pressure (Lindell 2008). The governing institutions also still bear some marks of a continuity from the vertical organization of Frelimo's socialism. Below the central and district municipal levels, there is a hierarchy of geographical units, all headed by a municipal representative: *bairros*, *quarteirões* and the lowest is a unit of ten houses. For example, the *chefe do quarteirão* is supposed to be elected locally, but is often appointed by the Secretary of the *Bairro*. Below the *bairro*-level, it is difficult to distinguish between the party and the state. The bairro secretary in Maputo seems, according to Paulo et al. (2007), to always be a Frelimo member. These officials are often used to mobilize community residents for Frelimo's political manifestations. It is also common to have a Frelimo representative working in the same office as the bairro secretary, making sure to prevent the latter from representing an eventual conflict of interest from below (Paulo et al. 2007).

In sum, governance in Maputo appears centralized, but at the same time highly informal. As embedded in the CMM official structure, the opportunities for substantial democracy and participatory governance is quite weak. The CMM itself regards institutional change and a more democratic governance as a main current challenge. The question of is treated in the ProMaputo plan, in which the Component A among other things aims to:

- Simplify the organization and administration of the CMM.
- Decentralize and integrate the administration of CMM programs horizontally.
- Improve the communication between the CMM and the citizens, to increase CMM responsiveness to preoccupations and priorities at the local level.
- Increase transparency in the use of resource during CMM administration.
- Improve the coordination between the CMM and the public sector.
- Strengthen partnerships with NGOs in the city (CMM 2007, p10).¹³

One has to wait and see whether these changes will improve governance participation for CSOs. In

¹³ My translation from Portuguese

the seminar “*Mozambican Elections – Consolidating Democracy*” organized in Oslo, Aslak Orre representing the CMI expressed his pessimism regarding Mozambican democratization. His main reason was that Frelimo remained, and even strengthened its position as a predominant party. The Frelimo party went from almost losing the presidential election to Renamo in 1999 to gaining more than 75% of the votes in 2009 (CIP 2009). Furthermore, political opposition seems unrealistic, as Renamo has a weakening approval. Renamo has been criticized for being disorganized and for running a bad election campaign in 2009. There might be no incentives to make changes to decentralize or share power as long as there is no opposition to Frelimo's hold on the parliament. Furthermore, this vertical organization of governance may increasingly become a source of conflict in the future, as people lack the opportunity for a voice in political processes. This may be exemplified by the riots¹⁴ that took place in Maputo February 2008, when the authorities raised the prices for *chapa*-rides by 2,5mzn, due to increasing oil-prices, which has been said to come as a result of a highly centralized governance (Fellesrådet for Afrika 2009).

4.6 Summary

Since its liberation in 1975, Mozambique has been through two troubled decades of civil war which exacerbated the widespread poverty. In spite of the country's current economic growth, the capital, Maputo still bears the marks of this period. The poverty, the diminishing state budget, disintegration of state institutions, missing or unrealistic legal framework and corruption along with a rapid urbanization has led to an informalization of urban governance in all social levels of Maputo. Many people now depend completely on various informal arrangements to earn a living.

Likewise, the urban land use in Maputo is marked by a widespread informality. Potentially, the tenure system for urban land could serve poor citizens well. The state owns all land and the rights to land use, either for residents or for commercial use, are supposed to be allocated through state institutions for free. However, the system itself has proved unsuitable for the complex, urban setting, and, due to periods of civil war, institutional disintegration and massive urbanization, the system has not functioned. Consequently, the majority of the urban population live and work in informal settlements. For many of these citizens, there is an uncertainty on what may happen to their house or workplace tomorrow.

¹⁴ See for example: <http://globalvoicesonline.org/2008/02/06/mozambique-a-riot-organized-through-sms-and-reported-by-bloggers/>

In spite of a decentralization of state tasks and more importance being put on the civil society, the state continues to play a central role, partly due to the Frelimo state's traditional hierarchical structure and to the colonial heritage. Civil society organizations often face difficulties when attempting to question municipal policies and they are often co-opted into the municipal structure. It seems unrealistic that changes to this top-down structure will be brought by the current political opposition, but a current urban reform, the ProMaputo calls for a reorganization of the municipal structure into a more horizontal one and for an extended collaboration with the civil society.

5 The Xikhelene

This chapter will use empirical findings to answer the first two research questions for this thesis:

How does the Xikhelene operate?

What are the reasons for the growth of the Xikhelene?

Sub-chapter 5.1 describes how the Xikhelene has developed in legal and social context. Then, the rest of this chapter will discuss how the vendors, in various ways, make use of the marketplace. In sum, this will shed light upon some of the dynamics that shape the way the Xikhelene market operates as a social and political unit.

5.1 Development of the Xikhelene

During the early 1980s in Mozambique, domestic trade was centralized and articles were sold through *bonded shops* «lojas vinculadas» and through consumer cooperatives as a development strategy to promote local production. However, access to goods was scarce and they could be obtained through informal channels and particularly industrial goods could be sold at two or three times the official price. Spontaneous centres of market activities became a normal phenomenon in Maputo in the mid 1980s, even though the state attempted to confine vending activity to formal market places, where prices could still be controlled (Little 1999). During the civil war and massive urbanization in Maputo, the black small-scale street trade started to become a necessity as it turned out to be the only way families could earn an income or buy necessary goods. It was named «dumba nengue», which in Ronga means «thrust your feet» because street vendors literally had to run often to avoid prosecution or police harassment. Informal street trade was looked upon as a crime because it undermined the state's development strategy. The state attempted to fight it or control it, but usually in vain because after police raids the vendors would eventually go somewhere else to sell or in the end, return to the same spot as soon as the police gave up paying attention to it. During the destabilizations induced by the civil war, the state had no means to control the tendency, but was rather overwhelmed by the scope of it. Commodities disappeared from the regulated market and reappeared in the parallel street economy which eventually became the real market for commodity

exchange. This parallel market was known in Maputo as “Candonga” (Grest 2006). In the later 1980s the state started to abolish the system of price control. As it lifted regulations, first on fruits and vegetables in 1985 and later, with the introduction of the PRE all types of street trade were legalized and started to come out in the open. The state even started to have a more liberal view on informal import and informal trade networks and saw it as a necessity for people's survival or that it could not be stopped as long as the conditions for it were there (O Tempo 1989).

The Xikhelene grew up in the mid 1980s, like many other marketplaces in Maputo as a site for “candonga” street trade. The place was not planned for hosting a market, it was an occupation of the urban space, outside of urban plans or regulations. The site used to be a roundabout surrounded by an empty area which was not used for anything in particular, saved for activities like football playing. The name, Xikhelene, means «hole» in Ronga and derives from a large hole in the ground at the place, left by the need for sand fill for roadworks in the area. The first market activity sprang up in the area where the industry buildings and the gas station are located today. It was quite easy to get there by chapa and there were a lot of people passing by since it was a bus station at the place and as the area became increasingly populated. When the industrial buildings in the area were built, the vendors eventually had to move to the other side of the roundabout to where it is located today. Its growth has more or less followed the liberalization of private trade in Mozambique. In 1985 the Xikhelene was a smaller marketplace for fruit and vegetables, but by 1990, the Praça dos Combatentes was already completely changed and taken over by the Xikhelene market activities. Since then, the marketplace has grown both in terms of size and diversity of articles (interviews, vendors).

Even though the Mozambican authorities over time liberalized commodity exchange, the commercial activity at the Praça dos Combatentes was by no means accepted. What is particular for the Xikhelene market is that the site where it is located has, as a part of the city-plan, the status of a “state reserve”. This implies that the area is meant to be left for some future use. However, similarly to the situation when the state was unable to control the stream of people migrating to Maputo and the way they informally took possession of urban space, to reside or perform different activities, it was impossible to control the activity at the Praça dos Combatentes (interview A1). The police would show up and try to stop the activity by confiscating articles or beating up people, but the vendors would always return. The conflict between the Xikhelene vendors and the local government came in waves, depending on the attitude of the authorities that was changing from attempting to clear the place, try to give space for traffic or just to leave the development to its own fate. To

defend their own interests in this climate, the vendors organized a market committee. This committee has represented the vendors' interest in keeping the market despite of CMM legislation. It is also this committee that has been administering the marketplace until today (interviews, vendors).

As a Frelimo initiative, through the organizations Organization of Mozambican Workers (OTM) and Committee of Female Workers (COMUTRA), a trade union for informal workers named ASSOTSI was consolidated. It was established in 1999 during a conference with representatives of various Maputo markets. The Xikhelene market committee played a main part in the consolidation of this organization, as for example the first spokesman of the Xikhelene market committee, Ramos Vasconcelos Marrengula has been its president from the very beginning. The objective of the ASSOTSI is, as stated by Marrengula in an interview I made with him: “to organize the sector, defend the informal workers and claim their rights as workers, because even though being informal, the worker is still a worker”. Within this frame, it appears to be a common interest, both for the CMM and the ASSOTSI to improve the conditions of street trade in Maputo. For the CMM, one of the aims is to set in order the way street traders and marketplaces are taking hold of urban space. Together with the ASSOTSI and market committees, they have been working to assign the vendors' activity to places in the city that are approved by the CMM and the urban plan, in a process of formalization. The vendors will benefit in turn from this strategy, as they will have formally expressed *rights* to the places and infrastructure. There will also be a common interest in improving working conditions at the marketplaces as the CMM provides infrastructure, toilets, drainage and imposes rules for securing sanitary and health conditions (Grest 2006). Ever since 1999, tax policies have been imposed to the vendors at the markets in Maputo. Now, they have to pay taxes both to the CMM and to the ASSOTSI, collected by the market committees. Marketplaces are categorised in classes A, B and C markets, depending on the quality of the infrastructure provided by the CMM. Whereas the class A markets have reasonable infrastructure, class C have little or no infrastructure at all. The better the infrastructure, the higher the taxes paid by the vendors. However, there is a last category of markets that remain outside the advantages of formalization, namely the class D, or “informal markets”. Vendors at the class D markets pay the same amount of taxes as those of class C, but the class D markets are still not acknowledged as markets, the CMM does not provide any infrastructure to them and the vendors conducting their activity here have not formally demanded right to infrastructure. 10% of the taxes goes to the market committees themselves, meant for the implementation of their own initiatives. The final aim of these policies is to find solutions to formalize all the markets in Maputo, but due to the sheer

scope of it, this is a costly and toilsome process. At the current stage, most of the marketplaces and the largest marketplaces still remain within the classes C and D. In 2008 there were 6 marketplaces within the class A, 7 within the class B and in the classes C and D, respectively 27 and 23 marketplaces. This comes without mentioning the innumerable ambulant street vendors who operate outside the marketplaces (FAO/CMM 2008b). In addition to the ASSOTSI, the CMM generally collaborates with organizations representing various aspects of informal trade, for example an organization for informal importers, an organization for female informal workers, one for ambulant street traders and so on.

In a correct language, [ambulant] vendors are no longer considered as *dumba nengue*, but as street-vendors since they are to be found in the streets. By the way, we had a meeting with them yesterday on the distribution of [vendor's] identification-cards and we explained how they have to be organized to guarantee the circulation of people and cars (interview A1).

Alias, the CMM has changed its strategy from having an antagonistic stance towards informal street trade, to trying to control it by institutionalizing the activities through collaboration with civil operators.

During the nineties the vendors at the Xikhelene went from using temporary *bancas* made out of straw or wood to investing in *barracas* made out of bricks and concrete. At this point the CMM intervened and the market committee had to sign a contract making it clear that the vendors were only allowed to develop their activities at the place, under the condition that they would have to move out as soon as the CMM had a specific need for it. The CMM would then not be obliged to provide any compensation for the lost values.

Life here is difficult. Because we're not in a formal marketplace. We're in an informal marketplace and that's not good. (...) We work with fear here. Some day sooner or later they'll say: "Get out of here!" Do you see? (interview C2)

Hence, this is both a contemporary solution both for the CMM and the Xikhelene vendors. After this agreement, the CMM has generally not tried to hamper the increasing activity at the market, as long as it did not cause particular problems for example for the traffic in the area (interviews, vendors).

The Xikhelene market is classified as a class D market and the vendors pay their taxes like in any other Maputo market, but the CMM does not provide any infrastructure to it. The 10% of the tax fee that goes to the committee is, according to the contemporary committee spokesman

Bernardo Samussone Matsinhe, not enough to cover the essential needs of the market (interview A2). For example, the market committee has lacked financial means to solve the hygienic conditions at the place. Several thousand people use the place every day, they share only a few toilets and refuse disposal facilities have been limited, so garbage and dirt tend to pile up. In addition, the marketplace is located on a lower level than the surroundings, so the hygienic conditions have particularly been a problem every rainy season when the place is filled up with dirty water and mud that mixes up with the trash. In Maputo, places like these become centres of infection during cholera outbreaks, that are frequent during the rainy season. Together with vendors, the Xikhelene market-committee has led several demonstrations addressing the municipality, to improve these conditions, but nothing happened (Savana 2009). According to Matsinhe, the CMM blamed the vendors for the cholera problem, because they were gathering at an unsuitable place.

Still, the committee has managed to improve the market in certain ways. For example, the committee has defended the vendor's interests by getting rid of unwanted competition, like vendors taking advantage of the place without paying tax fee. Vendors claimed equally that the committee managed to impose some discipline, for example concerning the way the vendors used the space, the conflicts among vendors, the way customers were treated, closing times and so on. Matsinhe expressed that the committee played an important part, being an authority which contributed to both creating opportunities for people and contributing to the development of society. For example:

People were afraid. Earlier, people got killed there. But the market grew and grew... they called it Xikhelene because of the big hole there. It was normal, if you walked through there by day, to find somebody dead there, in that hole. (...) People got their money in their pockets, that's why they would get killed. Or, they would walk around drunk and alone at the wrong hour. (...) They even took people's clothes to go and sell. (...) Now, people walk around as they please. It's a lot of police and security. The banditry has calmed down, there's no robbing any more (interview D2).

In collaboration with the police and by mobilizing people, they have managed to solve some of the earlier problems of crime at the place. The committee, in collaboration with the vendors have also managed to provide some infrastructure and services, like pavement, electricity, a few toilets and security measures, like guards and gates.

5.2 Activities at the Xikhelene

The Xikhelene is a marketplace bustling with activity. The marketplace has a “nucleus” or an “officially stated” limit, but it is normal in Maputo that the commercial activities develop outside of the marketplaces in the streets and side walks nearby, which is by far the case of the Xikhelene. However, since the place, during the fieldwork period was under reconstruction, the situation was far more chaotic than it used to be. All areas that would normally be reserved for traffic were now taken over by activities, and the part of the market that was cleared of *barracas*, was almost empty. The crossing between Av. Vladimir Lenin and Av. Julius Nyerere and the Av. Julius Nyerere all the way from the railway bridge and far down southwards after passing the Praça dos Combatentes was bustling with activities. It was impossible to distinguish the Xikhelene market from the marketplace 1. de Junho, a marketplace mostly consisting of *barracas*, but also *bancas* reserved for meat. The roundabout was also used. As usually, there were activities taking place all the way along the road that leads the 300-400 metres from the Xikhelene to a marketplace in the Polana Caniço “B”, vulgarly known as the Mucoriane. Almost all the vendors at the Mucoriane tend to go out of the marketplace, to the nearby streets or to the Xikhelene to sell, leaving the Mucoriane empty. Hence, it is impossible to distinguish between the Mucoriane and the Xikhelene, unless one knows to which market committee the individual vendors pay their taxes. In the streets just close to the Xikhelene, the activities also extended to the nearby *bairros*. For example, in the Ferroviário, there are several *barracas*, bars, inns and stores on the nearby streets, but within the streets of the bairro it is usually quite calm. The continuation of the Av. dos FPLM after passing the market nucleus, was also crowded with vendors, some 200 metres of where the street is destroyed by erosion. Moreover, the official number of vendors at the Xikhelene market varies a lot, from 1500 counted by the CMM, to 7075 according to the ASSOTSIs last counting (FAO/CMM 2008). However, it seems to be difficult to establish an exact number, because it is very likely that ambulant vendors at the place who do not pay taxes are not included in the statistics. The number varies equally because many vendors do not use the marketplace regularly (observations).

It is a large variety of activities at the market, a variety that reflects the different opportunities and strategies for earning cash. Some vendors have built or bought *barracas* made of bricks. The *barracas* have the advantage that they assure protection both for sun and rain, and it may be shut so that one can leave the articles there over night. This makes it possible to have a larger assortment of different articles, which is important for vendors running groceries, or for those who sell heavy equipment along Av. Julius Nyerere. *Barracas* are also important for running bars

and eateries because they give space for heavy cooking equipment, like grills, refrigerators and radios that demand electricity and have to be left there over night. The brick walls will also shelter the food from collecting sand and dirt. *Barracas* made of bricks are also crucial for running hairdresser shops or pharmacies. Several *barraca* owners rent out storeroom space, so that other vendors may store their goods there over night. However, most vendors use *bancas*, made out of wood. The *bancas* have the advantage that they may be moved and relocated. Usually they are supplemented with a parasol or a tarpaulin for protection against the sun. *Bancas* are typically used by those who sell smaller articles, like fruit, vegetables, fish, meat, live poultry, telephone service, *capulanas*, clothes, second hand clothes or shoes, groceries, mobile phone recharge cards, candy, spices, yeast, water, soft drinks, alcoholic drinks, traditional medicine, equipment, hair extensions, make-up and so on. Others do not use a *banca*, but sit on the ground spreading their articles on a straw mat. Some vendors also sell heavier goods, like furniture or reinforcing steel out in the open. There were also ambulant vendors walking around at the marketplace, selling mobile phone recharge cards, *capulanas* or other goods that the vendor was able to carry around all the time. Most of the mobile vendors, either those who use *bancas* or the ambulant vendors generally offer goods that either require less space, or are sold on a smaller scale because the vendor has to bring everything back home every day, or make use of one of the storerooms at the place. One user of the marketplace had built a lavatory, taking a fee for every visit. Furthermore, there were trucks coming in to the marketplace every day, with goods in large quanta, for example frozen fish from Angola, bread from local bakeries or coconuts from the countryside. It has also happened that trucks of goods came from South Africa, to sell articles to Xikhelene vendors (Observations/Interviews, vendors).

5.2.1 Vendors' strategies

The vendors purchase their goods at different places. Some people obtain various articles, like food and clothes in Nelspruit or other places across the South African border, through regular travels by *chapa*. Some of them have contacts on the countryside and could purchase cheap agricultural products, like bananas, tomatoes or sweet potatoes. Others sell farm products, like cabbage, salad, cassava or cassava leaves, that they grow themselves in the peripheral, peri-urban areas of Maputo reserved for agriculture, or sometimes in their own backyards. Articles may also be bought at other marketplaces, like in the Xipamanine market and resold with profit at the Xikhelene. New clothes, *capulanas* or kitchen utensils are usually acquired in Baixa, in normal

shops and sold at the Xikhelene. The aim is to buy cheap goods and sell them in order to make a profit. A normal strategy is to buy articles cheaply in large quanta and resell them for profit in smaller quanta. The vendors operate with “unwritten” prizes for the most common goods and people know that smaller quanta of goods would eventually be more expensive. There are always customers who either cannot afford to buy their articles in large quanta, or simply do not have the time to do it. One of the neighbours of the market stated that they would always prefer to buy goods in large quanta, like large boxes of rice, tomatoes, potatoes, carrots, frozen fish, a big bottle of oil and so on, that would last for a month. They would have saved money that way. However, they seldom had that large amount of money at the same time, but rather gained a little money every day, so that they would have to buy their everyday needs in smaller quanta day by day. Hence, there is an opportunity for different vendors to reach different segments of customers. For example, a vendor that has a small amount of money, would only purchase a small amount of articles and target customers that would buy smaller quanta. A piece of soap can be cut in four pieces and sold with a small profit for each piece. Others, that managed to build up a larger assortment of articles, prefer to sell in larger quanta for a cheaper prize, sell more and thus earn more. Hence, the sources for buying goods in large quanta are important, for example the storerooms at the market or the wholesalers' market in Zimpeto, where articles are brought in by trucks, mostly from South Africa and sold in large quanta. However, the vendors usually did not use a stable supplier, but rather change their suppliers as prizes changed. Or, if they heard rumours about some one-time opportunity to obtain cheap, good quality goods somewhere, they would try to exert it (Interviews, vendors).

People work as vendors for various reasons. Many of the respondents had been trying out different strategies selling different sorts of articles. Others had several other occupations before they decided to settle down at the Xikhelene, or they planned to save money in order to invest it in a *barraca* at the Xikhelene. A woman running a restaurant, had for example invested in buying the *barraca* with the money her husband had earned, working in South Africa. A barber told me that he had moved his shop from the Baixa to the Xikhelene because business was better there. However, not all the vendors use the market with an ambition to improve their incomes. A woman confessed that she went to the Xikhelene only in periods when she did not get any income from her other sources. She had friends selling at the market, and she knew that she could work in collaboration with them and earn some money whenever she needed. The subject of “earning surplus” and to improve the activities was most of the times a conversation among vendors in their thirties and above. Most of the younger informants had other plans and other wishes. They said that they saw

their activity merely as a temporary solution, as they were studying in the evenings and hoped to get another job as soon as they would be finished. A young woman had been selling at the market to save up money for the admission test at the UEM. After failing, she got admitted to a banker education and now she was saving money while waiting for the semester to start. However, the younger informants appeared to be disillusioned. They used to complain that it was difficult to get a “formal” employment in Mozambique and particularly for young people without contacts. To finish school, one often has to bribe the teachers to pass tests, which is hard for people without money. A young man confessed that he had not been able to finish school, that it was impossible to get a job and now he was selling at the Xikhelene. He complained also about the lack of opportunities in Mozambique and claimed that if one wanted to achieve something, then fleeing the country was the only solution. Making jokes about stealing was also frequent among the younger men, who often regarded the activity of selling at the market as an alternative to stealing: “I am here because I do not want to steal”. One man revealed having been a thief before, but stopped doing that now (interviews, vendors).

Most of the informants, regardless of how much they managed to earn at the marketplace, did not see their activities as a “job”. They rather stated that: “we came here during the eighties as we were looking for a life and something to do”. Or: “I’m working here because there are no jobs”. Most Mozambicans meet a lot of difficulties when trying to get employment within the “formal sector”, so the vendors generally saw the vending activities as an alternative solution for survival. Most of the informants claimed that they used the market to support their families and children, and many of them confessed that their families had no other sources of income (interviews, vendors).

On the other hand, there are vendors who consciously use the opportunities of the Xikhelene in an attempt to make their business grow. Informants among vendors who managed to prosper, took a lot of pride in this and discussed what it takes to “ganhar lucro”, earn a surplus and what to do with it. According to a woman who owned a *barraca*:

To gain surplus? Well, that's a struggle. Because everything is expensive. Nothing is cheap, everything is expensive. To gain surplus, people really have to use their head. Combine a lot of things (Interview C2).

A woman who sold chickens proudly showed me pictures of a house she had been able to build with the she got from her activity. Another poultry vendor wore a handmade ring she had ordered, with an embellishment shaped as a chicken cage, stating that it was vending chicken that gave her a life. Another woman explained that she had started working at the Xikhelene during the 1980s, and

prospered a lot since then:

It demanded a lot of patience. I started out with 60.000mzm¹⁵ and today I have a house and a barraca with refrigerators and tables. To begin with, I started by buying a box of soft-drink in cans, and a box of beer, also in cans -and beans. The business has been growing little by little until today and I've always been trying to sell food because it is always a demand for it (interview C12).

Obviously, to establish a stable business and gain surplus demands a lot of time. Furthermore, it also demands a lot from the vendor's abilities:

It's just that the business helps a lot. It helps, but it has got something to do with the person's head. It demands a lot of responsibility not to go bankrupt in short time. You have to work, but you also have to use a lot of intelligence. (...) It's many big "empresários" that grew up there at the Xikhelene. The cars that they drive around in... If anybody told that they started up with a banca at the Xikhelene, nobody would believe it (interview D2).

To gain surplus demands a lot in terms of social capital, intelligence, patience, consciousness and planning. Hence, the surplus that vendors were able to gain varies a lot. Some vendors said that they did not manage to save anything. Some told me that they saved about 20mzn every day, while others claimed that they managed to save about 200mzn a day. In other words, some of the Xikhelene vendors are deeply impoverished, while others make their economies grow.

5.2.2 Collaboration and competition

Some vendors work as employees for others. For example, some of the restaurant owners worked with assistants they had employed, who were often friends or family members. I interviewed vendors working in stores along the Av. Julius Nyerere, selling parts and accessories for cars. They all had employers, who did not work there themselves, but owned the shop and paid regular salaries to their employees. One informant was running several shops with employees, both at the market and other places, so that he had the time to focus on other income generating activities. Another respondent worked in a small DVD-shop owned by his uncle, who also owned *barracas* at several places, both in Maputo and in Inhambane. The employees were mostly youngsters employed by older people. According to a former vendor at the Xikhelene, working as an employee at the beginning is an advantage, because experience is needed when starting running your own activity. One has to know what goods to buy, where to get it and how to sell. Besides,

¹⁵ MZM (Mozambican Meticaís) was replaced by MZN (New Mozambican Meticaís) 1.july 2006, by dividing the old metical by 1000.

young people often can not afford to pay the market fee, the goods or a *banca*. This vendor had started himself as an employee, but after saving up some money and gaining some experience, he eventually bought a *banca* himself and started reselling a small selection of groceries at the market. More money is to be earned if one works alone.

Establishing contacts with other vendors and customers as well was an important aspect. It creates predictability when one is acquainted with vendors at the market and has a more or less regular circle of customers. For example, I was in contact with a group of women selling poultry, who were all friends or members of the same family. They had also family members and friends in the surrounding neighbourhoods. One of the regular customers at the market explained that they were not morally “obliged” to buy their necessities from vendors they knew, but were still more likely to do so if they did not find some obviously better alternative. Collaboration was also an option: if a group of vendors heard for example about a cheap supplier with good poultry, say in Matola, they could go there together by a borrowed car, or split the expenses when renting one to get there.

Generally, having contacts proved to be relevant to participate in various social networks. In Mozambique, there are various examples of social networks becoming important institutions, for example: *xitique*, which is an informal system of credits and savings, or: *yakulahlana*: in which a group of people associate and save money for funerals, marriages or similar events (Francisco & Paulo 2006). Many vendors at the Xikhelene are members of *xitique*-groups. I ran into one example: it was a man who had created a *xitique*-organization and worked as its administrator. All participants paid 100mzn every day and were repaid 3000mzn once a month. One respondent explained that she did not have enough discipline to save money by storing it in her house, so it was a good way to save money. One could also borrow money first and repay later if one needed to invest in something or needed to buy more articles to resell at the market. Thus, the system could function as a micro finance bank for people who for various reasons could not use a normal bank. Apparently, marketplaces like the Xikhelene, that have a lot of activity, pose good opportunities to participate in such networks, or generally to get necessary contacts.

However, the Xikhelene is also marked by the competition among vendors. One informant explained that distrust would always be present where there was money:

For example, if I am selling there next to you and a customer shows up with a 500mzn bill and wants something for 100mzn; if I ask you to help me out with change, you're not going to help me. (...) There's no union. Everybody for themselves (interview D3).

Some vendors stated that there was usually so much movement of people at the Xikhelene that one did not have to establish any connections with customers to be able to earn money. There is always someone who buys things spontaneously. However, one needs to place oneself close to where people normally walk by, so there is a lot of competition for the best spots and for the ambulant vendors there is often a tendency for “chasing the customers” instead of waiting for the customers to come. As one contributor to debates in the journal Notícias wrote:

(...) it is a weak absorption of vendors at the formal *bancas*, which has something to do with the reduced number of formal markets and, in some cases, the weak presence of customers at the inside the markets. Some citizens prefer to buy their goods at the side walks instead of inside the markets. As a consequence, it is a emptying of the nucleus of some markets, a movement from the interior towards the periphery. They are occupying improper places, meant for the circulation of people and cars. In the case of *Xikhelene*, people have left the *Mucoriane* to fill the Avenida Julius Nyerere, claiming that the customers do not come inside the market (Notícias 04.03.2010).¹⁶

Alias, the competition among vendors and the fact that many customers are reluctant to enter the market, creates situations which makes it difficult to control the use of vending spaces. Furthermore, this uncontrollable nature of the informal vendors has caused traffic congestion, as vendors have been often conducting their activities in the middle of the road and side-walks. During the flood disasters in 2000, the Av. Julius Nyerere was destroyed by erosions cutting the most important access way between the city centre and the Praça dos Combatentes. After this point, traffic towards the north, out of the city centre has been canalized through the Av. Vladimir Lenin, which is far too narrow during rush hour. Then, the vendor activities in the crossing has exacerbated the discontent among citizens in Maputo (A Verdade 2009a).

5.2.3 Why operate at the Xikhelene?

What makes people cling to a place, go into conflict with the local state, pay tax, invest in vending stalls and work under unhygienic conditions at a place that, sooner or later, will be taken over by the municipalities? Apart from the situation of poverty and informal, spontaneous urban development, some qualities and the dynamics of the place could serve as an explanation for this.

¹⁶ My translation from Portuguese

There are certain advantages when conducting a commercial activity at the Xikhelene market. For the first, Praça dos Combatentes is a place with a lot of activity. For example, the roundabout at the Praça dos Combatentes marks a crossing with Av. dos FPLM which are both main roads. The Av. Julius Nyerere leads, as a highway directly out of the city and runs through the northern suburbs: Hulene “A” and “B”, Laulane, 3 de Fevereiro, Mahotas and Albazine, which are all densely populated municipal districts. The Av. dos FPLM runs to Praça dos Heróis Moçambicanos close to the airport and meets Av. Acordos de Lusaka that leads to the western parts of the city centre. The Av. Vladimir Lenin that also leads to the Praça dos Combatentes goes directly to the Baixa through the Coop, the Malhangalene and the Polana Cimento “A”, and thus provides a quick access to the more prosperous parts of the city. What is even more important, is that the *chapa*-routes have developed along these main roads, leading directly to the Praça dos Combatentes. According to my personal observations, it was possible to catch *chapas* directly to the city centre: Baixa, and to another important part of the centre: the Museu through the Polana Cimento “A” and “B”. There was also the route that went directly to Xipamanine, another large Maputo market, the approximate size of Xikhelene's. The same route crossed the western outskirts of the city centre and passed Alto Maé, which is another area with a lot of activity. All these routes went up Av. Vladimir Lenin and passed the Compone market, which is a popular marketplace in Maputo for second-hand or “made in China” clothes and shoes. One could also catch *chapas* that drove along the Av. das FPLM to Xipamanine and to the western parts of the city centre. There were *chapas* that went up Av. Julius Nyerere, directly to the wholesalers' market in Zimpeto. Apart from these, several other routes existed at that time. Briefly, at the Praça dos Combatentes, one could catch *chapas* directly to almost all parts of town and out of town to Inhambane or Matola. Hence, except for the Baixa, this is apparently the place in Maputo which is the most central when it comes to collective transport. This is important because the *chapas* are a main tool for the way many of the vendors organize their activities. First of all, the *chapas* provide access to the Praça dos Combatentes and thus, a general movement of people which is necessary for having enough clients at the place. Second, since most of the vendors cannot afford to buy a car, they often use the *chapas* themselves to transport the article from the place where it is purchased to the place where it is sold. Buying goods in one part of the town to sell it for profit in another part of town, is the general strategy. If prices are changing at one place, or if new opportunities to get cheap goods arise at another, it is an advantage to have easy access to different places (observations).

Another important point is that the market is located in a densely populated area. Even though people come from all over Maputo and even from outside of town to sell at the Xikhelene, living nearby was the main reason for which people chose to sell at the Xikhelene instead at some

other marketplace. All the surrounding *bairros*, the Polana caniço, the Bairro das FPLM, the Rodoviário and the nearby *bairros*: the Mavalane, the Maxaquene and the Hulene are all well established *bairros* of high or relatively high population density (PEUMM 2008a). The high population density also serves to feed the marketplace with customers that use it on a daily basis.

The size of the marketplace as well attracts activity. One vendor that had an education in economics described the place as a centre for economic activity. According to him, the easy access to the place is important, but also that the bigger it gets, the more people want to conduct their activities there. There are so many different activities at the place that it becomes easier to get access, for example, to storeroom space, articles to resell, cheap food, good suppliers and contacts. There are also some micro finance banks in the area. The neighbours talked about the Xikhelene as a marketplace where one could find “everything”, that it was a practical place, easily reachable. Its size makes it a well-known marketplace in Maputo: customers are more attracted to go there when they know what they get. It is a typical conversation in Maputo to talk about where to get the cheapest and best articles, and as the Xikhelene is one of the biggest marketplaces in Maputo, people know the articles and the prices. The Xikhelene has developed a certain “role” which is important, as people tend to buy what they recognize. According to some of the informants, the prices at the Xikhelene are relatively cheap and people all over Maputo have an idea about the products that can be bought there and about their prices. The marketplace is divided in specialized areas: one for second-hand clothes, one for meat, one for fish, one for groceries, etc. and the customers are able to localize these areas. If they are looking for something special, the Xikhelene may be the place to visit to check out and compare prices (interviews, vendors).

5.3 Development in the horizon

It took a long time for the eventual CMM plans to make use of the place as a state reserve to be put into practice. It seems to have been further postponed due to events of the last decade; by the destruction of Av. Julius Nyerere, so the Xikhelene market was allowed to develop freely. This situation is changing. Missing opportunities to develop the urban expansion in this direction have caused problems for the development of the city, because according to the first urban plans Maputo was supposed to develop towards the north. Westwards, the expansion seems to be effectively blocked by the airport area. This has put a lot of pressure on the city centre, particularly during the recent years as Mozambique has seen a higher economic growth than ever before. Now, the CMM has got World Bank financial support for the ProMaputo, to develop infrastructure and make place

for continuing growth. A rehabilitation of the Av. Julius Nyerere is a part of this, and is planned to be finished during the second phase of the ProMaputo from 2010 to 2016. So after Maputo's historical centre, the Baixa, has reached its potential, private sector growth is likely to develop along the Av. Julius Nyerere and towards the Praça dos Combatentes. The Praça dos Combatentes is also planned to be connected to the newly rehabilitated Rua Dona Alice, which is the only road in northern Maputo that leads to the beach. Moreover, according to the PEUMM the place is seen as a future urban centre and will probably be attractive for the investors in the private sector (PEUMM 2008b).

5.4 Conclusion: Formality and informality at the Xikhelene

This sub chapter will pose some concluding remarks on the two first research questions for this thesis, which are:

How does the Xikhelene operate?

What are the reasons for the growth of the Xikhelene?

The growth of the Xikhelene market may be understood as a manifestation of some broader tendencies in Maputo. The widespread *informality* has here been referred to as one such tendency. The way the term *informality* was explained and understood by the CMM, the ASSOTSI, and the market committee applied well to the dualist approach. They were for example talking about the massive urbanization, the unemployment, the poverty and the lack of jobs as reasons for the emergence of an *informal sector*. The growth of the Xikhelene is commonly understood as a result of the general emergence of an informal sector.

However, Francisco & Paulo (2006) use the legalist approach and warn about the tendency to only discuss the “informality that can be seen”. By this they mean the various manifestations that are often associated with poverty. Defining informality as legal or illegal, unregistered economic activity, they underline that informality occurs within all levels of the Mozambican society: there are people who cannot find job opportunities by other means than conducting informal petty trade, some entrepreneurs are able to use informal street trade or other informal trade for profit and prosperity, the established, private businesses may often be partly based on informal economic activities and powerful people are able to use their positions through corruption or by breaking regulations to accumulate wealth. Likewise, it is important to note that not only poor people resort

to the Xikhelene. Salaries in Mozambique are generally low, so vendors at the Xikhelene may earn more than people who have occupations that demand education, or which normally are associated with the middle class, such as municipal officials, policemen, teachers and so on. The marketplace has been used by people who were able to work themselves out of poverty and it has been strategically targeted by entrepreneurs who could have had a formal employment if they had wanted to and who cannot be described as poor. This shows that the marketplace provides opportunities for entrepreneurship. Hence, the Maputo street trade and spontaneous markets may also be understood by referring to the high barriers to enter the formal economy. The growth of the Xikhelene may likewise be understood as a manifestation of informal entrepreneurship, due to a formal economy which is both inaccessible in terms of legal barriers and unfavourable because it may be more money to be earned conducting informal activities. Moreover, the Praça dos Combatentes, as an urban centre is, geographically well suited for conducting informal trade.

Furthermore, the Xikhelene is a manifestation of the informal urbanization of Maputo. As shown by Francisco & Paulo (2006), the legalist approach poses understanding for the informalization of urban space. Jenkins (2000) characterizes the Mozambican land-law as not adapted to the urban context and he adds that the administration of it was badly organized and too slow and bureaucratic, causing informal land allocation. The informalization approach may pose an understanding of this situation as the *informalization* may be understood in the context of building down the institutions that were necessary to administer and develop the land-law, and thus secure the citizen's legal rights to the access to urban space. As Jenkins claims, the political and economic elite gained profit from the informal allocation of land, so there was no motivation to develop a sufficient legal framework. In sum, this may serve to explain the growth of the Xikhlene. The Praça dos Combatentes was occupied as any place in Maputo was occupied by people migrating the city. and the authorities did not have the means to control the occupation.

This may serve as a starting point to understand the legal status of the Xikhelene: When attempting to *formalize* urban land use in Maputo, the CMM has to deal with a situation in which the actual use of land do not correspond to the actual legal framework or the urban plan. A new framework has to be developed and adapted to the actual situation. *This formalization strategy has affected the way the Xikhelene operates.*

With a partly formalization of the Xikhelene's use of space and a partly formalization of such commercial activities that the vendors do, one may say that the Xikhelene is moving towards *the formal* on Chen's (2007) *continuum* from informal to formal. Policymakers, like the IMF and the CLEP underline the importance of local participation in such processes. The CMM is

collaborating actively with civil organizations, such as the Xikhelene market committee and the ASSOTSI in these processes of formalization. Hence, being formally included into the CMM structure, one may say that these organizations also have become more formalized than they used to be. For example, the market committee started up as a completely informal organization, initiated by the vendors. Now, it collaborates with the CMM by carrying out formally stated administrative tasks at the Xikhelene.

De Soto (1989) encourages informal entrepreneurship and claim that too high legal barriers conduct entrepreneurs to go informal. Likewise, the authorities of Maputo have acknowledged that most people are reliant on informal vending activities to survive and that the activities cannot be stopped. The commercial activity is accepted and hence one may say that they are formalized in comparison to the former non-acceptance line. The vendors are no longer considered as illegal “dumba nengue” operating within an illegal black market system of “candongá”. As a part of the CMM's new strategies of formalization, this way of speaking has gone out of fashion. With this acceptance, the CMM became able to collaborate with the informal operators and impose more control on their activities. For example, earlier problems of crimes have been solved. Some discipline among the vendors has also been imposed.

For the Xikhelene, one step of this formalization process was to define the market as informal, alias to recognize and *formalize its informality*. The market committee signed a contract guaranteeing that the vendors would have to leave the place as soon as the CMM should need it. As a result, the CMM withdrew from taking responsibility for the actual use of the Praça dos Combatentes. Since then, informal systems, as exemplified below, have been developing almost freely at the place.

Another step was to include it into the policy on marketplaces in Maputo, defining it as a class “D” market, meaning that the vendors would pay tax to the CMM and the ASSOTSI, whereas 10% would go to the development of the market itself. This demanded that the vendors started paying taxes and it allowed a certain improvement of the infrastructure at the market.

As one may see, the formalization measures did not have a very profound effect on the way the Xikhelene operated, so still there are factors at the Xikhelene that remain informal. As explained in the ILO paper of 2002, informal dynamics are “governed” by something else than formal institutions and procedures. The Xikhelene is marked by a plethora of informal dynamics and arrangements which influence the way the market operates. As the CMM does not provide any services, the vendors have to rely on themselves, or on that the committee will act independently of the CMM to solve problems that occur, such as crime, flooding or to provide services such as

electricity, garbage disposal or toilets. They do not have any security for their assets at the place: their market stalls, the infrastructure or the advantages of the location, so they have to procure eventual back-up solutions themselves. Hence, they do not enjoy the advantages of formalization, such as ownership rights, which de Soto (2003) or the CLEP (2008) deem as important.

There are also dynamics that result of the competition among vendors and the need to chase the customers in order to earn money. As many customers find it uncomfortable to go inside the marketplace and therefore choose to do their shopping at the periphery of the marketplace, there is a tendency for the vendors to move towards the periphery and even to fill the streets and side walks. If one vendor does it, others will have to follow to be able to vend. Hence, vendors often break the law, but the governing institutions such as the CMM or the market committee are unable to stop it, due to the scope of it.

Dynamics at the market may be ascribed to the various informal strategies the vendors pursue in order to earn money and the vendors may also change strategies when new opportunities occur. The vendors are often dependent on each other or on a network of contacts they have established with friends, family, *xitique*, neighbours, regular customers and suppliers, all of which Lindell (2001) describes as general important survival strategies among third world poor. After a while, many of the vendors have become dependent on the marketplace as a predictable system of relations and opportunities that developed around them. These are all advantages embedded at the very location, which Lyons & Snoxell (2004) stress as crucial for vendors conducting their activities in third world, informal, urban retail-markets like this. This poses another explanation for the growth of the market: As an established and functioning system of informal activities, the Xikhelene attracts even more vendors to establish their activities there.

6. The Rehabilitation of the Praça dos Combatentes

When I came to the Xikhelene the 15th of July 2009, the municipality had demolished about two-thirds of the nucleus of the Xikhelene-market. Most of the part that consisted of barracas, bancas and pavement had been removed. Actually, the demolishing had started in May, but wooden poles dug into ground to serve as groundwork for *bancas* were still burning and what was left from the concrete pavements and the *barraca* brick walls were broken into pieces by pickaxes. The debris and remains were spread all over the place. Vendors were still sitting in the middle of the dust and rubble at the building site, refusing to move while bulldozers and diggers were moving back and forth, creating dangerous situations.

It was an obvious situation of conflict. I decided to study the political processes related to it, which a primary focus on what efforts that were made to relocate the vendors. This part will answer the second part of the problem:

What characterizes the decision making process of resettling the Xikhelene vendors?

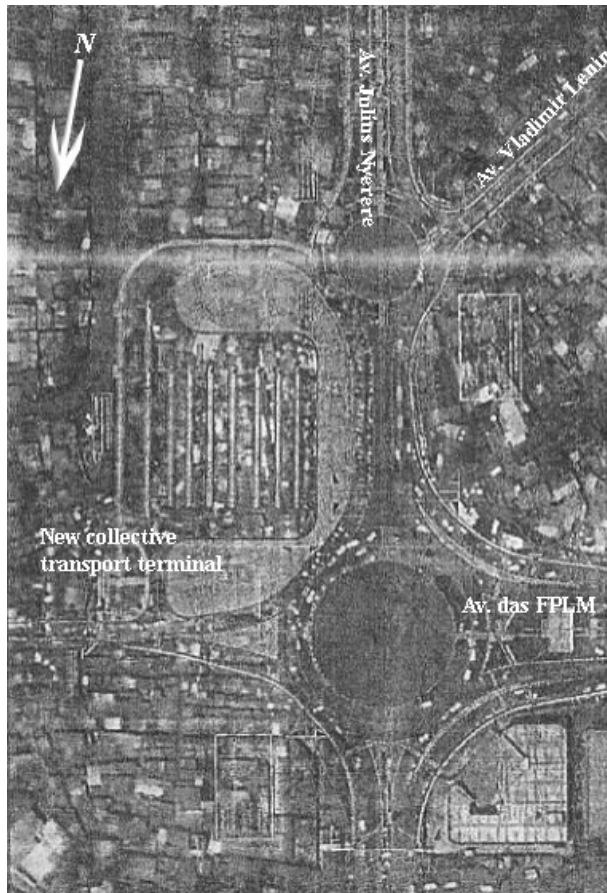
What explains the way in which the vendors responded to the resettlement?

The first sub-chapter 6.1, will briefly explain the CMM plans for the reconstruction of the Praça dos Combatentes. The next, sub-chapter 6.2 will discuss the PDMM Resettlement Policy Framework, which is used as a reference point for policy intended to minimize losses for displaced individuals during an urbanization project. Then, sub-chapter 6.3 will look into the CMM strategy for avoiding conflict when demolishing the Xikhelene market and how the different actors were involved in the decision making. Sub-chapter 6.4 will explore the resettlement, the vendors' opportunities for response, discuss what they did to influence the process and their contact with the civil organizations organizations.

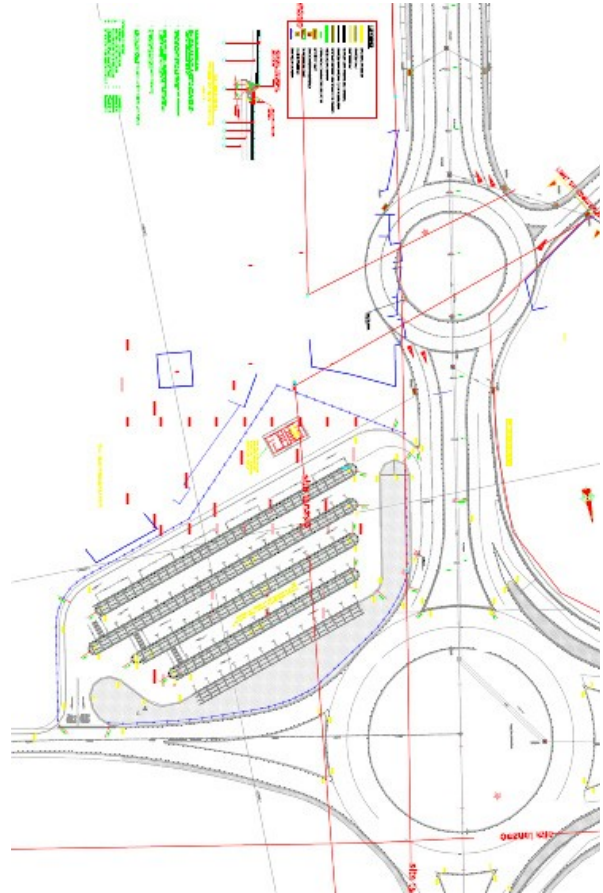
6.1 Plans for demolition and reconstruction

After talking with the president of the ASSOTSI and officials of the CMM, I found out that the demolition of the market was to give space for a new terminal for collective transport in the area. In addition, there would be built a new roundabout and a rehabilitation of the existing one. Originally, an additional 40 houses were also planned to be demolished (CMM, Acta No.19, 2009).

However this plan was changed as it later turned out to be possible to rearrange the shape of the terminal in order to avoid it.



Plan for reconstruction of the Praça dos Combatentes shows new roundabout (the smallest one) and collective transport terminal (at the center left). The planned collective transport terminal covers about 2/3 of the nucleus of the Xikhelene market and demands demolition of about 40 houses (text manipulated). (CMM activity-plan)



New plan for reconstruction: The shape of the collective transport terminal has been modified to avoid demolition of houses (DMEP).

The reconstruction was a part of a larger plan to rehabilitate the Av. Julius Nyerere, in which the Praça dos Combatentes would become an important node for traffic. Eventually, the area was going to become an attractive place for private sector investment. According to an action-plan obtained at the office of the head of the *bairro*, the proper market would be rebuilt during the Phase II of the ProMaputo. First, this implied a *formalization* of the marketplace, an upgrading from the current class D, informal status. Second, it implied that new infrastructures like pavement and drainage was going to be built. The president of the ASSOTSI, Ramos V. Marrengula claimed that the rehabilitation of the marketplace had been a condition laid down by the World Bank for taking part in financing the reconstruction of the Av. Julius Nyerere, but this was not confirmed by any of

the other informants (Interview A1). According to the engineer responsible for drawing schemes for these projects, there was no concrete plan or financial sources yet for this work, so at this point it remains to see how the Xikhelene will be and what the consequence will be for the remaining vendors owning *barracas* there. Anyway, it is unlikely that the project will cover more than the remaining one-thirds of the former nucleus of the market, as the collective transport-terminal covers the two-thirds that were removed.



Xikhelene market before and after demolition of barracas. The red line on the left image marks the nucleus of the market (FAO/CMM 2008a). At image on the right (from GoogleMaps 30.09.2009), the southern part of the marketplace has been demolished. The new roundabout is not yet constructed.

6.2 The PDMM Resettlement Policy Framework

The World Bank recognises, based on its own experience, that involuntary resettlement of people during development projects is likely to cause severe economic, social, environmental and cultural problems. The Resettlement Policy Framework (RPF) is a framework for the Maputo Municipal Development Program (PDMM) and it is a compilation of the general World Bank safeguard policies adapted to the PDMM (World Bank 2001). The PDMM is partly financed by the World Bank and thus has to follow the RPF as a directive. The reconstruction of the Xikhelene-market is a part of the ProMaputo programme and not of the PDMM, the PDMM is not a part of the ProMaputo. However, in World Bank's and CMM's documents it is impossible to distinguish between these two programmes, as they were presented as if they were one and the same¹⁷ (World Bank 2006). According to representatives of both the World Bank and the GDEI, the CMM, through

¹⁷ See for example a World Bank programme-presentation: <http://web.worldbank.org/external/projects/main?pagePK=64312881&piPK=64302848&theSitePK=40941&Projectid=P096332>

the cooperation with the World Bank, adopted almost the same framework for the ProMaputo programme. Still, it is important to note that, since the reconstruction of the Xikhelene-market remains outside of the PDMM, no other exterior institution could hold the CMM responsible for the way the RPF was implemented.

A good governance ideal plays a central role for the outlines of the RPF. First of all, the RAP is supposed to be developed in consultation and negotiations with stakeholders. Furthermore, it is supposed to be open for public information and discussion. During the resettlement process, the GDEI is obliged to make sure that a participation strategy is being applied:

At community level a resettlement committee should be established to represent the interests of those who will be displaced. The local Resettlement Committee (RC) will be identified by the local Neighbourhood (bairro) Collective and include a sub-group of its members as well as other trusted local influence leaders and representatives of the displaced people (PDMM 2006, pV).

(...) For the implementation of a RAP, an ad hoc Working Group of the Municipal District (DM) Consultative Committee (CC) should be set up with community and local leader membership (drawn from the local resettlement committee) from an affected area in the DM territory. RCs and CC Resettlement Working Groups should be trained in social and management issues and supported by social facilitators where possible. At DM level, the DM Administrator will be responsible for leading the district CC Resettlement Working Group, a group of stakeholders concerned with PDMM activities in the DM. The district CC Resettlement Working Group will coordinate, monitor and supervise community consultation and participation in RAP implementation at district level. The Working Group should coordinate its activities with the CMM's Environmental Management Department, and must ensure a copy of all information collected locally is deposited at the referred to department and the Communication Office (PDMM 2006, pVI).

In this participation strategy, the municipality, here represented by the GDEI is first and foremost responsible to make sure if there is a civil organization representing the interests of those who are going to be displaced, the RC. The RAP is supposed to be negotiated with this organization in a working group with the municipality. This organization is aimed at representing the grass-root, and should thus have the opportunity to oppose the local state's decisions or suggest alternatives. The working group consisting of the RC and the CC is also supposed to be properly trained for the task. Furthermore, the information is supposed to be available for all stakeholders. All this seems to correspond well with *good-governance* ideals of civil participation in partnership with the local government, transparency in decision processes and accountability. It is not solely up to the state to follow the RPF aims of reducing risks during resettlement. The civil society is also made responsible for an accountability of the local state in a reciprocal process of negotiation (PDMM 2006).

6.3 A CMM strategy: Avoiding conflict through an awareness campaign

During the municipal election campaign, in November 2008, the Frelimo's candidate for the mayor position, David Simango, announced a reconstruction of the roundabout and the Av. Julius Nyerere. According to Matsinhe, the committee took part during the election campaign in a reunion with the CMM in which the reconstruction of the street was debated. However, the collective transport terminal and the destruction of the majority of the *barracas* had not been mentioned at this point. Meetings about giving space for the public transport terminal did not take place until the next year. I was not able to find out exactly when, but the resettlement of vendors and the construction of the collective transport terminal, was originally supposed to start as early as in March 2009, however postponed until May (CMM activity plan). Various meetings about the project were organized during this period. These meetings included among other operators: representatives of the ASSOTSI, the Xikhelene market committee, the secretaries of the municipal districts 3 and 4, the secretaries of surrounding *bairros* and *quarteirões* along with the CMM, including the mayor himself at least in the last meeting, and both the councillor of the municipal department of infrastructures: Mário Macaringue, the councillor of the department of urban planning and environment: Luís Nhaca in addition to the head of the DMMF: Carlos Nelson Quibe. Some of my informants among vendors had also participated in these meetings. Apart from this, I was not able to find out exactly who participated, when the meetings took place or the specific agenda for each of the meetings. But all of my informants who had participated in this process confirmed that there were “many meetings” that had taken place in advance of the reconstruction.

The communication between CMM and the vendors, through this process of meetings was crucial for initiating the resettlement process and it shows the municipality's awareness that this was a potential source of conflict. As for example Marrengula stated, even though I did not even ask specifically about the reconstruction:

Now, there's another impact that in my analysis isn't negative, because the Xikhelene market has a rehabilitation project going on, advanced by the Municipal Council. This is related to the reconstruction of the Avenida Julius Nyerere. The rehabilitation created panic and continues to create panic among the vendors, who question the reasons for the destruction of the market (Interview A1).

Hence, the problem of vendors losing assets like *barracas* and infrastructure was certainly an

issue. It was a conflict in the air. This issue of conflict was also confirmed by my informants at the market who started talking about the reconstruction, about their anger and frustrations concerning it, without even being asked (Interviews).

The Secretary of the Bairro Polana Caniço “B” confirmed that they had known about the reconstruction plan for some time. He stated that they had been informed by the municipality about this, so that they could work together with the authorities in the *bairro* to mobilize the vendors, in order to avoid problems. The head of the DMMF, Quibe referred to this strategy as an awareness campaign¹⁸, making people aware of what was going to happen in order to avoid problems:

It was an awareness campaign that took place before the realization [of the reconstruction project] and people were informed: that from day X we will start doing this and from the day X will will do this and so on (Interview A3).

So, the awareness campaign signifies a transmission of concrete information about exactly what is going to happen in order to erase all doubts or rumours about it. But, it also contains something deeper, which may be understood from Sr. Quibe's argumentation, when asked about how the CMM managed to avoid conflict:

It was no conflict here. Because the municipality, through a process of raising awareness, avoided conflict. People became aware¹⁹. It [the project] was presented to the people in order to avoid conflict. And I have to inform you that whatever barraca built whether in a formal marketplace or like this, in an informal, people go into terms of compromise with the municipal council, that this space is provided by the municipal council to build infrastructure for the social benefit, so people have to remove their infrastructures without any compensation. (...) So, there was no resistance among people. Because the Municipal Council urges people to build bancas that can be dismantled (Interview A3).

He also made it clear that when people built *barracas* made out of bricks in such a place and in the middle of the street, they knew that they might suffer losses afterwards. Hence, the term project of *rising awareness* also implies an element of taking initiative to define the premises or “the rules of the game”, in this case: the contract that the Xikhelene market committee had signed with the CMM.

The participants at the meetings were informed about the benefits of the reconstruction. For example, the CMM was now finally supposed to create the long time demanded drainage at the place and to build a new marketplace. For example, Matsinhe stated that his obligation in this

¹⁸ My translation from Portuguese: *trabalho de sensibilização*

¹⁹ My translation from Portuguese: «Sensibilizou-se as pessoas»

process was to “mobilize people to understand that, as a matter of fact this project, *all of us* will benefit from this project”. This quote may serve to exemplify that the process of awareness-raising implied that the CMM used various means to persuade the subjects, trying to make people take a positive stance even though two thirds of the vendors would have to move, being thus unlikely to benefit at all. The presence of the mayor at the last meeting could be a proof of the same thing: that the CMM attempts to create a positive atmosphere by showing the importance of the project and that they regard the contact with the local community as important, by bringing to the meeting a person of authority and importance. For the same reason, the CMM also conducted ceremonial marches, with the mayor and councillors walking through the Praça dos Combatentes, accompanied by a group of singing women dressed in colourful *capulanas* among other supporters.

According to the councillor of the municipal department of urbanization and planning, Luís Nhaca the strategy was fundamental for avoiding conflict in this case:

One of the things we did was to involve the local authorities in the process, and they had a paramount role in the mobilization. When I say local structures, I refer to the secretaries and administrators of the bairros who are local administrators, along with involving the vendors' committee. As I told you, there were various reunions. Still, when we initiated this, it was a signal there indicating that we could have had problems, but the municipal police was always there along with the police of the republic. So, luckily, we didn't get any problems. The reason is that the municipality exercised a method of participation. This is fundamental. If they hadn't participated, it would have been a lot of speculation and a lot of rumour that could have posed problems. (...) It was explained to them what advantages there were. The project was presented to them in order to remove all doubt about it (Interview A6).

Hence, it is obvious that the CMM followed a strategy directed towards the implication of the local authorities, which in turn mobilized people from the local community. This was fundamental for avoiding conflict. The decision itself was already made at the municipal department level. The local involvement in this case, signified a method of making local authorities and vendors collaborate in the process, to facilitate and to avoid conflict, even though a lot of people actually suffered losses.

6.4 Attempts at resettlement of vendors

The vendors were sitting along the Av. Julius Nyerere to the railway bridge, in the roundabout or in the middle of the building site, claiming they were waiting for the municipality to show them another place to go. However, according to both the GDEI and the DMMF, there was enough space in various Maputo marketplaces for vendors to go, so there was never necessary to

find another specific place to relocate the vendors or to find some other solution. According to the officials, there were enough free spaces in Maputo's marketplaces. Nevertheless, the problem has been taken into consideration to a certain extent. According to the local councillor of the Department of Urbanization and Environment, Luís Nhaca, the CMM was negotiating with the Mozambican telephone connection company TDM that owned a suitable area located in Laulane, by the continuation of Rua da Beira after crossing the Av. Julius Nyerere. The TDM was offered an area close to the Praça dos Combatentes in exchange. When I asked Marrengula of the ASSOTSI about the negotiations for a space to relocate the marketplace, he categorically denied it and asked me where I had got such information. So at this point, the associations had no knowledge about this aspect and it is difficult to know the likelihood of its achievement or the real degree of seriousness of the made efforts. It remains to see.

In this case, the CMM initiated a relocation in which a resettlement committee was formed. According to the spokesman of the 1. de Junho market committee, the market committees of the Xikhelene, 1 de Junho and the Mucoriane got assigned by the CMM, to lead the relocation, along with the heads of the relevant *bairros* and *quarteirões*. Spaces were prepared in the Mucoriane and in the 1 de Junho markets and in the industrial area, in a street that runs parallel with the Av. das FPLM in the Bairro das FPLM. Some vendors were also moved further into the north-east of the marketplace, into the prolongation of the Av. dos FPLM. However, it did not take many days before the vendors moved away from the places they had been transferred to, and started to fill the building site and the Av. Julius Nyerere with their activities (conversation A8).

6.4.1 Responses at the resettlement

As most of the vendors left the places they were assigned to, one may safely state that the CMM initiated resettlement process did not work. After talking to the vendors and the officials, the reasons for this failure became quite clear. First and foremost, the spokesman of the 1 de Junho admitted that there was never really enough space at the new places, where the vendors had been transferred. The spokesman of the Mucoriane claimed that all *bancas* at the Mucoriane were occupied. They just seemed vacant because the vendors who owned them did not use them, but preferred to conduct their selling activity outside the marketplace. The free space at the 1. de Junho was quickly bought and filled up. This is a small marketplace and it consists primarily of *barracas*. The new buyers started to construct new *barracas*, but left them unfinished due to temporarily high

prices of concrete. It was more money to be earned selling in the street, in the roundabout or in the Av. Julius Nyerere as long as the road remained closed for traffic, so they continued to do so for as long as possible. Furthermore, the resettlement committee did not make any agreement with the companies or the neighbours residing in the Bairro das FPLM. So, when the vendors established themselves in the street there, this was tolerated neither by the industrial companies nor the residents. They claimed that the vendor activity caused crime and insecurity in the area. Hence, it is obvious that it was not put too much effort into this resettlement. It was rather short termed and the conditions were not properly screened. In other words, the main objective was rather to clear the area and assure space for the rebuilding (Interviews, vendors).

The large area that was demolished, consisted mainly of *barracas* made of bricks, but also some *bancas*. Those who owned *barracas* suffered the greatest losses, because these are expensive to build and there was no compensation for the lost values. Many of them had invested largely in building one or more *barracas*, sometimes taking bank or micro-credit loans. During the demolition, many of the vendors did not have enough time to take with them the sheet metal roofs, window frames and doors. A lot of articles were equally destroyed in the process. The activities at the Xikhelene were often the only income people had to support their families, so after the demolition the source of their income disappeared and they were left without the financial means to buy food for their husband or wife and children. Some had also borrowed money in banks or on micro-credit, to build infrastructure and buy articles. Now, the material obtained through investments was gone and at the same time, they found themselves unable to pay down the monthly payments. Some also had debts at the wholesaler who often sold products on credit. The majority of the vendors remained at the place, even though claiming they were not selling anything, complaining about the bad conditions. There were few customers coming to the area. The roads leading to the place had been blocked, thus keeping the *chapas* and cars out. The Xikhelene market, as the regular customers knew it, with specialized areas for the various categories of products, had changed completely in a way that people lost their will to go there. The quality of the products also deteriorated in the sun and drifting dust and sand. The vendors claimed that municipality had not shown them a place to sell, or that they were waiting for this to happen. The atmosphere at the marketplace was marked by frustration and anger. However, some vendors had taken precautions and had a backup plan: some already had secured access to other marketplaces, some were not so much in need for the marketplace and simply retired while others had used the surplus from their activities to build up a new activity somewhere else (Interviews, vendors).

The vendors kept saying that there were no customers coming to the new places, where they had been resettled. The street that runs parallel with the Av. das FPLM has industrial buildings on

both sides, so few people ever pass by. Those who were transferred to the north-eastern side of the marketplace did not benefit from customers passing through Av. Julius Nyerere. The vendors who had not been transferred and remained at the marketplace, immediately got an upper hand on those who had been transferred. Consequently, the transferred vendors went back. All the vendors that had been transferred to the Bairro das FPLM, quickly left the *bancas* they had built there. Or, for example the women selling poultry, were transferred further to the north-eastern side of the market. Most of them quickly left these *bancas* and moved their activities to the side-walk instead. I interviewed one of those who remained. She was proud of following the rules, but admitted that those who were selling on the side-walk earned a lot more. The vendors selling on the side-walk argued that there were no customers coming to that new place, but they admitted that if everybody had stayed, customers might have started showing up (Observations/Interviews, vendors).

According to the vendors, one would have to pay an entrance fee just to start over again at a new marketplace. Those who were used to work in a *barraca* would also have to raise money to build a new *barraca*. Being able to enter another marketplace “depended on the person's pocket”, according to some of the informants at the Xikhelene. However, according to my observations, the most important reason for not moving was due to the fact that the vendors were used to play out their activities at the Xikhelene and exploit the various advantages of being there:

The fact that people are used to exercise their activities here at the Xikhelene is the reason for that, even though there's a reconstruction, they don't accept to go to other places, even though there is space in other marketplaces, for example the Expresso, Laulane, Mucoriane... (Interview A2).

When talking to the vendors about this, some sustained that it had demanded time and effort to establish contacts and a regular circle of customers at the Xikhelene. Hence, it was easier to remain at the place and make use of the advantages there for as long as possible. One vendor stated that he had spent two years establishing a stable income for himself at the marketplace. In fact it was not as easy to move from the Xikhelene as the authorities had perceived. According to one vendor, an alternative marketplace should have the same qualities as the Praça dos Combatentes: a lot of traffic and easy access. This one also explained that as the Xikhelene is well known in Maputo and has a certain image, that could have made the relocation easier if it had been planned thoroughly. If all the customers had known that the entire Xikhelene was now moved to another place, the vendors might have kept most of their regular customers. However, the way that the market was removed, merely caused confusion. So, the Xikhelene vendors claimed that the authorities had not considered

that it was severely difficult to re-adapt to a new situation, as it was both hard and expensive to obtain entrance to another marketplace. They pointed up that they had been dependent on the marketplace as a particularly good place to perform their activities²⁰ and that it was difficult to find similar conditions somewhere else. Furthermore, some emphasized that they had developed their activities over time and that they were now reliant on a network of colleagues and an established circle of more or less regular customers. In sum, moving from the Xikhelene to establish activity at another market was often difficult and for the individual vendor it could take time (Interviews, vendors).

One woman owned a *barraca* where she was making food and selling soft-drinks and beer. She was eager to tell how much she had struggled to build it and to make the business work. This *barraca* was something that she had been able to build with help from her ex-husband, who had been able to save up profits from selling clothes. After a long period of saving, she had been able to build the *barraca* in 1997/1998. She told that people came to the Xikhelene: “looking for a life, a way to survive. People did not have any food, but then they created an organization and built this market”. Hence, she saw the market as a necessity for many people's lives. But her message was primarily that life at the Xikhelene was hard. It was hard to earn money and hard because the *barracas* might be demolished any time because it was an “informal market”. Then it would be “no way” that one could start all over again. To get to another market and open a similar *barraca*, one would have to pay about 10 millions MTM, just to get access. This would be difficult. First and foremost she was concerned on how the reconstruction affected the lives of the vendors, but this quote also exemplifies the lack of knowledge about what was really going on, and the point of view that something wrong and surprising has happened as the municipality did not come up with a solution for vendors who had to move:

Me: How does this reconstruction affect the activity at the market?

She: They say that they want to rehabilitate. It's not a new project, they decided this a long time ago. It's because of the street. They have to make a parking-place, they have to make a street, I don't know what it is. The municipality knows, we're just watching.

Me: What were the consequences for the vendors?

She: Ai! There was a panic! There was a panic!

Me: What happened?

She: Because here, it was people who had borrowed money from the bank. To build their things, I don't know, to pay each month, and where? Where were they going to arrange money to pay

²⁰ As explained in chapter: XXXXX -forrige del

the bank now? (...)

Me: What did they do?

She: For the population it was a horrible thing. It was a horrible thing. É-pa! It hurts. It hurts because people don't know where to go and arrange money. They don't sell here now, there's no space. They didn't remove them from there to show them another place. They didn't show another place. It's just: "get out of there". These people, they're mothers of families, they're fathers of families. The absolute poverty is increasing. It's not getting better! (Interview C2)

Another woman claimed that the municipality had not considered the importance of the marketplace for the people who worked there:

The major problem resides in the fact that, before, the authorities did not perform an analysis on what was the importance of the marketplace for the lives of the vendors. There are people who depended exclusively on the activities that they exercised at the marketplace (Interview C7).

There was an expectation among the vendors that the authorities should take into consideration Xikhelene's significance for the vendors and take an initiative to deal with the consequences when removing the vendors.

The CMM on the other hand did not see it as necessary, nor as within their responsibility to procure a viable solution for resettling the vendors. This derives from the fact that there are free spaces at various marketplaces in Maputo, and that the officials are aware of the dynamics mentioned in sub-chapter 5.4. For example as the head of the DMMF, Carlos N. Quibe stated:

There are 6000 empty bancas where people can go and occupy. It's not that there's no place for people to sell in marketplaces. There are places. There are infrastructures. At the market in Polana Caniço (...) it's called Mucoriane. There are empty barracas there. But people are going to the streets. We provide infrastructure so that people can sell in different marketplaces, but people say: "no, I don't want to sell here". But we're working. We're doing an awareness campaign so that people one day will understand that they cannot sell in the streets (Interview A3).

Marrengula, president of the ASSOTSI partly shared the same concept. However, he related the problem to the articles not being interesting enough to attract customers, so that vendors have to chase the customers to sell their products:

There are 96 marketplaces in Maputo where one can find free space. The problem doesn't reside in the fact that you cannot develop your business at the [street-] corner, but that you cannot offer a product appreciated by the customer. This mean that I could have developed my business in Catembe²¹, if the product had a different brand, it's certain that people would have crossed the bay to get it (Interview A1).

²¹ Catembe: a bairro located at the other side of the mouth of the Tembe river

The spokesman of the Xikhelene market committee, Bernardo S. Matsinhe also stated something similar:

I've always defended the idea that there exist spaces inside marketplaces and a lot of it (...). If everybody had decided to sell inside the marketplaces, things would have become easy, because people would then have asked: "where are the people who sell what here?" Or: "where can I find this product?" and they would have gone inside the marketplace (Interview A2).

In sum, the common opinion among the people in high positions was that first, it was not necessary to take initiative to resettle the vendors, because there were already free spaces in various Maputo marketplaces. Second, the argument was that when these spaces were not being used, it was the vendor's responsibility, not the CMM's. In this case, the vendors are addressed as one mass of people and seen as one operator which may be held responsible for its actions. However, "the vendors" as a group consists of a range of individual operators. The way they act can be ascribed to a set of dynamics as discussed in sub-chapter 5.2.2, the vendors are chasing the customers and it becomes difficult to assign them to a fixed space. This was also admitted by the vendors themselves. Third, and even more important was the Xikhelene market's legal status as "class D" or "informal", deriving from the fact that it is an occupied marketplace at a place that the CMM never recognized as suitable for being used for market activities. Both for the CMM and for the ASSOTSI, it was absolutely crystal clear that the Xikhelene vendors would have to give up the space as long as the market was "informal". The CMM was by no means obliged to compensate the vendors for their lost values. The CMM was neither obliged to find a solution for resettling the vendors. This was a part of the contract, the vendors were aware of it from the beginning and thus they were responsible for their own situation. Consequently, the CMM did not see itself as the responsible operator to figure out a way for a successful resettlement process. In sum, the resettlement that took place was either half-hearted or solely aimed to make space for the construction works. Other aspects of the unsuccessful resettlement derives from the vendors understanding of their own rights and expectations on how they would be treated in this situation, which in turn shaped their willingness to cooperate. These aspects will be discussed in the next two sub-chapters.

6.4.2 The lack of vendor perspectives in the decision processes

There are certain findings that may serve to shed light upon the involvement of the various institutions. According to its president Marrengula's words, the ASSOTSI is supposed to function as a union for the workers in the “informal sector”. It is supposed to defend the workers' rights which are regarded as identical to the rights of any worker. These aims are built-in into its own statute which affirms that it is created to represent the workers, defend the workers' interests and property through representation of the vendors in negotiations with the CMM (Cruz e Silva 2005). It should therefore normally function as any trade union. However, in practice, the ASSOTSI bears the marks of its close relation to the government fabric. It is situated at the third floor in the building as the Frelimo-related OTM at Av. Olof Palme n.º 245, a location for which they are not paying rent (Grest 2006). The office looks like the office of any municipal department: the president has his own office and outside there is a secretary desk in a waiting room whose walls are decorated with Frelimo posters and Frelimo calendars. There is also the usual large portrait photo of the President of Mozambique, Armando Emilio Guebuza (observations). The ASSOTSI's policies regarding marketplaces are officially stated in a set of clauses put down in a memorandum of agreement between the CMM and the ASSOTSI. The main objective is to collaborate with the CMM in order to create formal rules for Maputo's marketplaces. Secondly, it works continuously in collaboration with the market committees to cover taxes and register vendors (CMM 2008). Moreover, as described in sub-chapter 5.1, it does also play a role in the aim of “formalizing” the Maputo marketplaces. In other words, the aim of representing the interests of the informal workers is shared with an administrative role in collaboration with the CMM. According to an evaluation, the association's aim of representing the vendors' interests and property in negotiations with the municipality, has seemingly lost some of its ground. Certainly, the association's achievements in promoting better working conditions and “formalization” of the informal vendors' utilities, represent a benefit for many Maputo small scale vendors. On the other hand, it appears as a problem that the association's partnership with the CMM has come more to the front, and that it has lost a great deal of the contact with its base (Cruz e Silva 2005). None of my informants among the vendors at the Xikhelene, even though being members and taxpayers, had any knowledge of the ASSOTSI. Furthermore, Marrengula's statements reveal the ASSOTSI's stake in the process of decision in advance of the reconstruction. As explained above, the ASSOTSI did not consider it necessary to resettle the Xikhelene market, which was the main demand of the Xikhelene vendors. Concerning this aspect, Marrengula adopted the same point of view as the CMM, namely that there was enough free space around in various Maputo marketplaces. Furthermore, no will or aim to

oppose the CMM's decisions was expressed, not in this case and not in other similar situations, something about which Marrengula was quite open:

We've had to explain the vendors that when a country is in the middle of a development process, the rehabilitation is a result of that development. As a country in the category of the poor countries, whenever there are finances so that the government or the municipality can do something, we have to support these projects. It's certainly unfavourable, but still, it's for the best for the well-being of the inhabitants and the Mozambican people. (...) But, we understand that we cannot impede it (the removal of vendors), because sometimes people confuse the constitution of the association with the creation of an opposition, which is not the case. The association is there to offer some ideas or to help (Interview A1).

Hence, the ASSOTSI is too closely connected to the CMM to oppose it. Marrengula did also express the same opinions as the CMM officials. These findings to a certain extent contradict Lindell's (2008) research conducted in 2002 and 2004, three and five years after the ASSOTSI's creation in 1999. It was then a relation between the ASSOTSI and the Frelimo too, but the CMM had a far more antagonistic policy towards informal markets in Maputo, attempting to limit tendency and entered into conflicts with the market committees and the ASSOTSI. The ASSOTSI was defending the vendors access to vending space even on occupied places and were hence representing the vendors' interests. The ASSOTSI did also have contacts, within the Frelimo and the ruling elite, which it used informally to pursue the vendors' interests (Lindell 2008). Now, the ASSOTSI collaborates with the CMM to *formalize* Maputo marketplaces and it does so in accordance to a formally stated memorandum .

The only official among my informants who complained about the way the process of decision had taken place was the *chefe do quarteirão* who was responsible for the houses which were planned to be demolished as a part of the reconstruction. She is a woman who has been living at the same place since before the liberation. She had been told by the engineer that houses in the neighbourhood would be demolished and that the families eventually would have to move. Her job was to prepare the residents for this. As opposed to the owners of market stalls, residents who have been living at a place for a certain period of time will, according to the law, have to be compensated for losses if they have to move. However, at the time of the interview, it had not been specified how the compensation would be and the *chefe do quarteirão* was furious because the residents were not guaranteed new houses and because of the arrogant way she had been assigned to carry through the municipality's decision:

Without any proper explanation about the reasons for the demolishing, the engineer from the

municipal council asked for my assistance to register the names of the affected families. (...) The houses were indicated by the municipality. I don't have words! My responsibility is limited to receive orders from the *secretariado do bairro* and carry them through!²² (Conversation A4)

She added that the demolition was put to a halt because of hers and other residents' refusal to move out. According to the engineer, the CMM did not have any proper place to resettle these people, so the solution was to rearrange the shape of the collective transport terminal. It is difficult to say whether this new decision came as a result of the residents' opposition to the process, whether the CMM in this case, according to the law, was more obliged to find solutions, whether the recommendations of the RPF were followed more strictly or simply because the solution was easier and less costly. However, in a later conversation with the *chefe do quarteirão*, she still did not have any knowledge about this change of plans, so it is unlikely to have been the result of a negotiation process (Conversation A4).

Matsinhe's statements reveal some ambiguities in the committee's stance in this case. In the first interview, Matsinhe expressed a concern for the vendors suffering about the demolition of *barracas*. He insinuated as well that there were not many opportunities for people to find a predictable way to earn money, in the context of unemployment and poverty. Furthermore, as mentioned above, he stated that the vendors were expecting and demanding that the CMM would show them another place to play out their activities. However, even though about two thirds of the vendors were supposed to move away, he claimed that "everyone" at the marketplace would benefit from the drainage works and the creation of infrastructures, actions financed by the CMM. During the second interview, he obviously changed his mind, from claiming that the vendors needed one other place to conduct their activities to declaring that it was no problem for the vendors to move to various other marketplaces. By adopting this notion, Matsinhe put forward simultaneously the point of view of the vendors and the attitude of the authorities, creating an ambiguity that might reflect somehow the committee's position on the political structure (Interview A2/A7).

It must be mentioned that Matsinhe himself is an active person who, apart from being spokesman for the Xikhelene market committee, owns several *barracas* and employs several vendors. He is a church reverend and also a Frelimo member with a position in the municipal district. Thus, according to his declarations, he was involved in the party structure (Interview A7). During the municipal election campaign in 2008, he supported Frelimo and the party's candidate for the mayor position, David Simango, in an attempt to use his influence at the Xikhelene to gain

²² Based on summary made by assistant and translated from Shangaan to Portuguese

votes. He was accused of having threatened those who did not want to support Simango's campaign with expulsion from the market. He denied these accusations, but confirmed his attempts to use his influence in order to persuade people to take part in the campaign. However, this situation can be perceived as one of the many intrigues that occur in every election campaign, but still it shows his involvement in the established politics, an involvement that for certain persons may imply an economic benefit (Moçambique para todos 2008). Hence, one may think that Matsinhe and other members of the market committee, within the networks of power, have personally a lot at stake regarding their contacts and careers, a condition that in turn can make them less responsive to the vendors. Some informants among the vendors complained that the committee did not discuss their concerns more aggressively with the authorities. According to them, the relation with the committee did not use to be like this, but changed their ways at a certain point. Some remembered that the committee formerly cooperated a lot more with vendor, defending their rights, for example during the period when the Praça dos Combatentes was occupied and the marketplace established. Now, their only concern was to collect taxes. Or, as one vendors stated: "the committee doesn't exist any more" (Interviews, vendors).

The committee is so closely connected to the municipality that Matsinhe thought the members deserved the same free medical health care system from which the municipal officials were already benefiting. According to Matsinhe, the committee had the power to oppose the government, to gather the vendors, organize demonstrations and strikes, but as they were working in collaboration with the municipality they did not take this kind of actions. As such, he expressed frustration about the committee not being acknowledged as a part of the municipality nor receiving favours and privileges connected to it. At the same time, the committee is forced into a certain responsiveness towards the vendors because its office is located in the middle of the Xikhelene so that they have to socialize with the vendors everyday. The vendors were complaining a lot about the demolition of their *barracas* and he had to be there, talk to them and answer their questions. The committee members are also vendors themselves and find themselves in the same situation as other vendors at the Xikhelene (Interview A7). Furthermore, it has happened that a market committee spokesman in Maputo was killed, probably for using the position to feather his own nest and not working in the vendors' best interests (Lindell 2008). Consequently, the relation to the vendors may still be crucial. Hence, for the Xikhelene market committee, the structure creates a squeeze between the CMM and the vendors. In this case, this condition became obvious and the situation appeared to be very stressful for the members of the committee.

6.4.3 The vendors' understanding of their rights

Without exception, the atmosphere among the vendors was rather bad. People were angry with the politicians for the demolition of the market. Even people that did not personally lose *barracas* reacted as well on the way the vendors had been treated. Some complained that they had been removed like one removes an ant-hill from one's property, and that people were scattered around in the area “de qualquer maneira”: not knowing where to go or what to do. A woman said that they had been thrown away like one gets rid of rotten tomatoes. Where did the anger come from? Even though people knew that this was a state reserve which the state could claim back at any moment, there was a widespread discontent about the way the authorities had dealt with the matter. It had to be some logics behind it. Further on I shall discuss what were the vendors' expectations.

The common perspective among my informants who were selling at the marketplace was that they accepted that the government needed the place. They were also appreciating that the problems of flooding finally would be solved and that the municipality would build infrastructures. Most of them, particularly older vendors, or vendors that had been there from the beginning, were familiar with the legal status of the market as it was expressed in the document that the committee had signed in accordance with the CMM: that the Praça dos Combatentes was a state reserve and that the state could claim it back at any time. But, there were also other informants at the market, particularly the younger people, or vendors who had started their activities at a later time, who were not completely aware of the agreement. One vendor claimed that the market had been there for such a long time now, that many people had stopped believing that the CMM would reclaim the place. The vendors who were ignorant of the legal status of the market were also less likely to justify the incident. These people made themselves more vulnerable to it, by not having found an alternative strategy.

Some vendors were talking about the president or the state metaphorically as a *father* and about themselves as the children who were being expelled from the house. They admitted they knew it was wrong to occupy state property. At the same time they saw the removal of the *barracas* as a punishment and argued that it was disproportionate to *expel the children from the house* just because they did one wrong thing.

The behaviour of the current government is not wanted. Because, we're all the children of the president, the republic, the municipality and the Frelimo party. But still, they don't consider us as the children of this house. It should not happen this way. (...) the government acted in a way that is totally contrary to how it is supposed to act. It treated us like dogs (Interview C4).

According to this man's opinion, the authorities were responsible for looking out for the population and taking care of their well-being. It did not matter if the market was unauthorized to be a marketplace, the authorities had to take a responsibility for the lives of the people.

As concluded in chapter 5, the Xikhelene market may, as a favourable place for petty trade, be seen as contributor to society and as a manifestation of how the Mozambican society has developed since liberation, which in the opinion of many of the vendors, the politicians cannot, or should not turn their backs on. Such factors shaped the argumentations of some of the vendors. For example, it could not be favourable to the society to separate 7000 people from their income. One hair-dresser at the marketplace argued that there were many families that relied on the marketplace as their only income. So removing one *barraca* would not only affect the life of one person, but also the lives of several people, wives and children. Sending children to school demands family finances and it is for the best of the society that the children remain in school. He himself had four kids and argued that his entire family was dependent on what he earned at the Xikhelene. Hence, the argument was that it was not only the future of individuals that depended on the marketplace, but also society. Another frequent argument was that the removal of vendors would lead to increased crime. Matsinhe told that there were many vendors he knew who used to do “bad things, crime, because hunger is hunger”. As people got other opportunities at the Xikhelene, they were able to change their ways, develop themselves and become better people. One vendor joked about that the municipality now certainly would have to build a large prison at the place where the marketplace had been, because all the vendors would now have to become criminals. Hence, it was an argument among vendors that it would be in the interest of the authorities to find solutions for the vendors who had to be removed (Interviews).

Matsinhe from the Xikhelene market committee, also stressed that the Xikhelene plays a role in society:

The government insisted that this place is not fit for constructing an informal marketplace, because it was supposed to be used as a roundabout and a street. However, the fact that people don't have jobs, the only possibility they have to sustain their families is to sell at the Xikhelene. During the first phase, the trade was exercised by women, widows and some unemployed men due to the unemployment-crisis. Other factors that contributed was the return of the former workers in the DDR and with the end of the civil war many of the demobilized that didn't have access to employment joined us at the marketplace and the reduction of the miners in South Africa. So, vending at the market means an activity to guarantee the support of their families. Because of this, we want that the government will provide us with a place where we can exercise our activity. (...) Destroying Xikhelene is like destroying Mozambique. This is Mozambique and all kinds of people are gathered here (Interview A2).

This conveys the idea that the Xikhelene market is a result of the general development of the country and that people use it because they have no other choice, even though the authorities do not accept the occupation of the Praça dos Combatentes.

Several of the vendors pointed out that, during the period when the marketplace was demolished, they had been promised another place to conduct their selling activity. However, it is difficult to say whether this derived from a misunderstanding or an actual promise made at that point. One vendor mentioned a space originally planned for being a cemetery, that was suitable for building a marketplace (Interviews, vendors). As mentioned above, there were also, according to city-councillor Luís Nhaca, ongoing negotiations for a suitable place. A rumour circulated among the vendors about the existence of such plans. It was also an expectancy that the municipality would treat the Xikhelene the same way it dealt with the wholesalers' market, that was previously situated in Baixa, but moved to Zimpeto. In this case the CMM had, with World Bank financial assistance, provided infrastructure like new barracas and pavement. According to Matsinhe, the market committee was demanding that the CMM would show them a place to start building a new market.

In the case of almost all my informants at the marketplace, the general opinion was that the authorities should have been responsible for solving the problem by relocating the Xikhelene to another place. It was a widespread point of view and there were strong opinions about it. The disappointment as this did not occur, came thereafter. Consequently, there was neither any will to cooperate with the authorities, during the reconstruction process. The resettlement that took place was not respected (Interviews, vendors).

According to my findings, the logic among the vendors concerning this question boiled down to the following statements: First, among the vendors, the most important argument was that a lot of people were dependent on the Xikhelene, and that the CMM should not turn its back to this aspect. Second, the vendors have been emphasizing the importance of this specific marketplace in a context where it is difficult to get other jobs. The ASSOTSI, the Xikhelene market committee and also some vendors have expressed a notion of street trade as a consequence of the development of society in wider terms. Hence, the Xikhelene is a result of the society and a part of it and, for many of the vendors, it felt natural that the authorities should deal with this fact. This logic was also present among municipal representatives. However, for the ASSOTSI and the municipality, this view did not seem to “out-compete” the notion of the Xikhelene's legal status as “informal” and occupied, which puts a larger part of the responsibility on the shoulders of the vendors. Third,

deriving from the arguments above, but also from earlier CMM plans to relocate the Xikhelene, the event of the relocation of the Malanga market, promises, but possibly just rumours and misunderstandings, there was a strong expectation among the vendors that the CMM would treat the matter differently and that they had the right to be treated differently. This has contributed to the vendors' anger, frustration, opposing reaction to CMM decisions and lack of will to cooperate.

6.4.4 The vendor's room for manoeuvre

When informants at the Xikhelene were asked about what they did, or how they reacted when their market stalls were removed, they claimed that there was nothing to do about it because the municipality was there with armed police and dogs. A typical statement was that “one simply does not oppose the government's decisions”. The notion of *resistance* implied more a physical resistance, like making barricades or striking rather than trying to organize and to exercise influence. People manifested a certain fear of attracting too much attention to themselves through oppositional actions. For example, one informant who had participated in organizing a demonstration for demanding the provision of state services and drainage at the marketplace, was identified and sent a warning letter, according to which she would be prosecuted if she participated in similar actions in the future (Interviews).

Still, one vendor confessed that he and some others had tried to appeal to the mass-media to cover their stories and how the lost of the *barracas* influenced people, but without any result.

We tried to invite the people of the TVM, but they did not show up. And definitely not the STV, which shows that they're all institutions of the government, which maybe told them they should not go to the Xikhelene. With the newspapers it's the same, they did not come to see what was going on (Interview C4).

Except from this attempt, no vendors told about any attempts to influence the decision-making process.

Why were the vendors so unprepared? All the vendors whom I interviewed lacked information about what was going on. They did not know very well what was being built. Most of them claimed that before the demolition, they believed that only the activity conducted on the streets was going to be removed, as in accordance to what had been said during the election campaign. Most of them claimed that they had not got an absolutely clear message about the demolition until two days before the process started. Some claimed that they had not been informed

at all. One vendor said that the committee had spread the news by informing one person and relied on that the message would be transmitted from one person to the next. However, in this way people could not distinguish real facts from gossips or rumours. A lot of rumours and stories circulated at the marketplace, usually spread by word of mouth, so people did not necessarily trust what they heard. No meeting about the reconstruction of the market was held in which the vendors took part. Or at least not a meeting that included the majority of the vendors. The vendors did not have any accurate knowledge about what was being built, but rather a vague idea. Some thought that there was going to be built a cars sales outlet. Others thought that the municipality was going to build a parking space. One man thought that they were going to build a hotel. One boy came out with the idea that they were probably going to make the Praça dos Combatentes look prettier in advance of the FIFA World Cup, organized in South Africa in 2010 and aiming probably to attract tourists and other foreigners to Maputo. Some knew that they were building a terminal for collective transport, but there was no knowledge about exactly where and whether the CMM would remove more *barracas*. Again, the vendors' knowledge was in general based on rumours rather than access to official statements or documents.

If possible, the committee could, for example, have used the aims of the ProMaputo political reform, in the vendors' favour in this case²³. The vendors and the market committee did not have any knowledge about the ProMaputo or the aims of decentralization as part of a municipal political reform. Moreover, the vendor-committee knew nothing about the RPF. I have not even been able to obtain any Portuguese version of the RPF. If the provisions of the RPF are to be followed, local organizations should be familiar with its content as a reference point when evaluating the process of decision. They should also have known that the RPF was strictly connected to World Bank policies and that the World Bank is a main financial operator for various ongoing projects. However, the World Bank is not financially involved in the reconstruction of the Praça dos Combatentes, but it could still be possible to appeal to the World Bank as it may be regarded as an important provider for the urban development as a whole and therefore partly responsible. For example, one may argue that it would not have been so urgent or attractive to rehabilitate the Praça dos Combatentes, if the municipality had not thought about reopening the highway of Av. Julius Nyerere, a project which is directly financed by World Bank funds. Hence, it may be pointed out, whether its representatives like it or not, that the World Bank is an operator that is involved and should have been responsible for monitoring the RAP²⁴.

²³ See sub-chapter 4.5

²⁴ See sub-chapter 6.2

6.5 Conclusion: governance in the process of rehabilitation

In this chapter, the decision making process for resettlement of the Xikhelene vendors before the reconstruction of the Praça dos Combatentes has been discussed. It was not a viable resettlement, but rather a *removal* of vendors in order to make space for the reconstruction works. The vendors were removed without being compensated for their losses and the CMM did not assure an alternative place to sell. The CMM was not obliged to provide any such things as the Xikhelene is a class “D” marketplace, built on an occupied space in the city. The decision was canalized through the municipal *bairro* secretary and the market committees of the Xikhelene and the nearby marketplaces, the Mucoriane and the 1. de Junho. For many of the vendors, the consequences became dramatic. This conclusion will answer the second two research questions for this thesis:

What characterizes the decision making process of resettling the Xikhelene vendors?

What explains the way in which the vendors responded to the resettlement?

The decision making process did not bear in this case the marks of a strong substantial democracy. According to Törnquist (2004) the substantial democracy should imply a *voice* from below, through representative organizations and a local participation in the decision-making process. *Good governance* ideals as recommended by the World Bank (1997) and the Human Development Report of 1993 also reflect such aims. Through the adoption of the RPF and aims of policy changes in the ProMaputo plan, the CMM is also striving to deepen its democracy according to such aims. According to the RPF, it should not matter that the Xikhelene was situated on an occupied space. To avoid conflict with the vendors, the CMM conducted an awareness campaign where several meetings were held. Some vendors took part in the meetings along with the market committee, the ASSOTSI, the *bairro* secretary and councillors. At the last meeting the mayor participated. This awareness campaign was used to give out information about what was going to happen, to persuade the market committee and the vendors, to present a certain picture of the situation and to define the “rules of the game”. The task of the civil organizations: the ASSOTSI and the market committee was delegated from the CMM. They played an important part in transferring the contents of the awareness campaign to the vendors and the committee was used to design the resettlement. The vendors were left unable to influence the decision making.

To understand what characterizes the decision-making process, it is necessary to analyse how the structure of governance has developed and how it serves as a background decision making.

The Xikhelene market committee started as an organization opposing the state efforts to get rid of vendor activity at the Praça dos Combatentes. It did also function independently as an administrator. This may be well understood as Friedman (1992) explains, as a civil organization working in the interest of the marginalized, opposing the centralized state and attempting to improve service provision. The market committee still has many of these functions: it is responsible for administering the market and it has conducted demonstrations to claim municipal support for solving the problems of missing waste disposal and floods. As a representative organization, the market committee has been important for the vendors' ability to secure their assets at the marketplace in the past. Hence, the committee contributes in strengthening what according to Friedman (1992), would be the vendors' *political power*, or according to Rakodi (2002), their *political capital*: it improves the vendors' ability to influence political processes that affect their own lives. Friedman (1992) suggests that such organizations should enjoy more legitimacy and that they should be strengthened by being able to participate with the established structure of governance. Regarding the policies on street trade, this acceptance and inclusion has certainly taken place, as the civil organizations have become crucial in the way the municipality administers the street vendors and marketplaces. The ASSOTSI is working continuously in collaboration with the CMM for administering retail markets and street trade. The Xikhelene market committee has been included into the same structure in order to govern the Xikhelene.

However, in the case of resettlement of the Xikhelene, the organizations lacked the ability to oppose the authorities as a direct result of their involvement with the authorities. As Azarya (1988, in Sjögren 1998) claims, the civil organizations' relation to the state may solely be motivated by the state's interest in procuring a cost effective service provision. According to Dudley (1993), this would be a *weak form of participation*, which does not serve to *empower* the subjects as they will not have any de facto influence in political decision making. Due to scarce financial means, the municipal departments have proved inefficient to control the informal development of urban space in Maputo, as explained by Jenkins (2001, 2000). Both the ASSOTSI's and the Xikhelene market committee have been used as administrative departments. For the CMM, this is a way of regaining control over the informal use of urban space, of which the Xikhelene is an example. The CMM's acceptance and inclusion of these civil organizations were not motivated by a need to strengthen the vendors' political influence, but rather to regain its lost control over the urban space. Hence, this participation strategy did not *empower* the vendors in this case. On the contrary, it resembles more the theory of Shleifer & Treisman (2000) who talk about a strategy of *cooptation*, which implies that it is in the representative organization's interest in situations of conflict to collaborate with the state rather than to the organization's base.

According to Cruz e Silva (2003), the ASSOTSI original statutes about defending the informal workers' interests lost their initial importance as the organisation got more oriented towards the CMM through its memorandum, losing contact with its base in the process. The Xikhelene market committee, on the other hand, is generally forced to be more responsive to the vendors, as the members are vendors themselves and as their office is located within the market. However, in the case of the relocation of Xikhelene vendors during the reconstruction, the market committee was used to carry through the relocation of vendors. It became difficult for the committee to “oppose its own task” by representing the vendors' interest and demand a more viable solution for the vendors. Furthermore, as Matsinhe himself takes part in the municipal district administration and has used his influence at the market to conduct electoral campaigns for the Frelimo party, there are signs indicating that it would not be within his personal interest to oppose his employer, the CMM. Still, the empirical findings also show a certain ambiguity in the market committee spokesman's statements, which may underline the way the committee found itself squeezed between the vendors and the CMM in this question.

In sum, these findings claim that the CMM is governing the society in a top-down manner and that it is hard for civil organizations to oppose the authorities. This may be confirmed by earlier works discussed in sub-chapter 4.5, for example by Alexander (1997) who claims that the Frelimo has a centralized political tradition deriving from its earlier Marxist-Leninist stance and the colonial heritage, Paulo et al. (2007) explaining how the municipal institutions are still very hierarchically organized, leaving little room for opposition from below, Grest (1995) who claims that civil organizations in Maputo have a tendency to ally with the state, rather than to oppose it and Francisco (2007) sustaining that Mozambican citizens are generally weakly represented by civil organizations. However, as Lindell (2008) shows the agendas of the civil organizations and their ties to other entities are changing, so that their representativeness may be equally dependent on the situation. She describes a situation in which both the ASSOTSI and the market committees display a far stronger representativeness than what is portrayed here. This may derive from the fact that the organizations did not oppose the CMM's aim of conducting a concrete reconstruction project. In other words, both the ASSOTSI and the market committee, may certainly be more representative in other situations. The ASSOTSI's lack of responsiveness may also derive from changes in the organization's general relation with the CMM, which will be discussed in the next sub-chapter.

At first glance, the vendors' response to the demolition of the marketplace and the resettlement was marked by resignation. What might earlier had functioned as an organized *counter movement*, as described by Polyani (1957, in: Mittelman & Chin 2000) was pacified by their

inclusion into the CMM structure. The vendors did not have access to any medium through which they could conduct their resistance, no mass-media and no representative organization. Eventual signs of physical violence were suppressed by the police. Drawing on Gramsci (1971, in: Mittelman & Chin 2000), the legal framework could represent a discursive hegemony as the formalization policy, the categorization of markets into A, B, C and D became the only ground for argument or negotiation. As the Xikhelene was a class D and *informal* market, the discussion was already closed. Due to the CMM's awareness campaign, the general lack of information and the short time for reaction, the vendors did not gather up under any counter narrative to oppose the "rules of the game". The most common argument was that the authorities should have considered the consequences for them, but they did not question the very rules.

However, the anger and frustration among the vendors indicates that the conflict was certainly present even though suppressed. The vendors strongly disagreed with the resettlement that took place, they refused to cooperate and to stay at the place they were assigned to. This may derive from the fact that it is difficult to move away from the marketplace because people are reliant on the way it functions, as highlighted in sub-chapter 5.2. It may also be read as an act of passive aggression, a sort of *war of movement* as advanced by Gramsci (1971, in: Mittelman & Chin 2000): The vendors immediately left the place which they were assigned to and the construction works were put to a halt due to the vending activities in the building site. This aggression may be understood the same way as Orre explained the backgrounds for the 2008 riots in the streets of Maputo: there is no representation or opposition which may pose an opportunity to contest a quite centralized decision-making process (Fellesrådet for Afrika 2009).

Still, a better explanation may be the informal nature of the functions of the marketplace, as explained in sub-chapter 5.2. The market's functions are largely governed by informal arrangements and as Lyons & Snoxell (2004) claim, the functions of such informal markets and the advantages of conducting commercial activities there are often embedded in the very place and the proximity to the various, necessary contacts. Such functions were not considered during the transfer of vendors. As the vendors were saying, it would take a lot of time to re-establish an activity and it was therefore difficult to move. Another function at the Xikhelene that has been mentioned, is the competition, which makes it difficult to assign vendors to specific places: As one vendor left the place they were assigned to and moved the activity to the Av. Julius Nyerere, the others had to follow. At the same time, the refusal to cooperate and uncontrollable behaviour of the vendors could also be seen as *infrapolitics* as described by Scott (1990, in Mittelman & Chin 2000). The tendency to sell in the streets in spite of CMM regulations may also be an example, which the authorities frequently explained as a negative behaviour which had to be abolished through

awareness campaigns. However, my impression is that nobody can control these dynamics, not the authorities and not the vendors. It appears to be rather a trait of the lack of formal procedures at the market than a “negative behaviour” among the vendors.

7. Conclusion: The Outcome of formalization

The aim of this conclusion is to give some additional answers to the second two research questions by looking at how *formalization* affected the process of decision making before the resettlement of the Xikhelene vendors and the vendors' room for action. Finally, this may serve to make some comments on the strategy of formalization and consider some recommendations.

As summarized in sub-chapter 5.4 there have been some phases of strategies conducted and laws implemented that have affected the way the Xikhelene market operates. Consequently, the way that the Xikhelene operates has been formalized, becoming thus more formal than it used to be. In chapter 6 some final steps of formalization were presented: The Praça dos Combatentes was reconstructed. This implied that the agreement between the market committee and the CMM was realized: the vendors had to move from the place without any compensations for the lost values. However, about one third of the nucleus of the Xikhelene will remain, which was actually not a part of the original contract. This part of the market will be upgraded from the current class D status, the CMM will provide infrastructures, but it was uncertain during fieldwork whether the *barracas* would remain in place, if the change would be beneficial for the vendors who were already there or if the new market would be open for new vendors to enter.

The RPF was implemented as a part of the ProMaputo, and serves as a formalization of rights for subjects who are to be resettled and as a certain procedure of securing such rights through ideals of participatory governance. The CMM generally adopted the RPF as guidelines, but not *formally* as a directive. The CMM was thus not obliged to follow it and the way of its implementation was left to the officials' own judgement. Consequently, two crucial points were ignored. First the aim to “improve or restore their livelihoods in a manner that maintains the sustainability of their interaction with the economic resources available to them”, which according to this analysis were embedded at the very place. Second, according to the findings in this thesis, the aim of establishing a truly representative organization was also ignored (PDMM 2006)

For the vendors at the Xikhelene, formalization did not serve to empower the subjects, as it is the aim of the CLEP (2008). On the contrary, they were made more vulnerable by the processes of formalization conducted by the CMM. First and foremost, the Xikhelene vendors became vulnerable because they did not enjoy the benefits of formalization, such as ownership rights. Thus, they were left without any formal rights they could have appealed at during the resettlement process.

Second, after the ASSOTSI started working more closely with the CMM, the ASSOTSI has had a formalized status into the CMM structure. It is a paradox that the ASSOTSI, as a trade union for the “informal sector” with an aim to defend the vendors' informal assets, works only according to the legislations and acknowledges the vendors' interests only when they are formally expressed. Through formalization of the organization's role, the ASSOTSI became unable to defend the interests of the informal vendors on the informal vendors' premises. These findings contradict some of the Lindell's (2008) findings from 2002 and 2004 which portray the ASSOTSI in a different way, as an organization that was opposing the CMM on behalf of the vendors. This may derive from the formalization of the relation between the CMM and the ASSOTSI and the formalization of the ASSOTSI's tasks. The market committee's ability to represent the vendors' interests was also weakened by their formal task of implementing the resettlement. Hence, the civil organizations lost some of their ability to be representative, thus undermining the vendors' room for response.

Finally, the formalization creates a sharper and officially claimed definition on what is informal and unrecognised and what is formal and recognised, which is unfavourable for the opportunities for political action of the informal vendors. As shown by the empirical findings, the legal framework became the main determinant for decision making. The vendors' argumentation became weak compared to the legal definition of the market as a class D market. The vendors were aware of, and even agreed on the logics of this legal status. Hence, referring to Gramsci (1971, in: Mittelman & Chin 2000) it even appears that the formalization produced a discursive hegemony, which the vendors did not question. Consequently, the Xikhelene vendors enjoyed less security for their assets and had less room for political response now, than during the 1980s and 1990s when the market committee had a more representative function for the vendors and as the Xikhelene did not have a legal definition, except for an indistinct definition on the Praça dos Combatentes as a “state reserve”.

Hansen & Vaa (2004) sustain that the very definition of informality is negotiated through processes of governance. The definitions of *formality/informality* are thus often shaped or modified by networks of power. Furthermore, one of the main aims of the CLEP is to secure the stake holders' participation in the process of formalization, in order to secure people's assets. According to Lindell (2008), Maputo vendors were able to participate in negotiating the legal framework through the ASSOTSI, which she describes as a quite powerful organization. As the ASSOSTI now appear more co-opted into the CMM's aims, the vendors are effectively excluded from the ability to shape the legal framework. In turn, formalization had a marginalizing effect on the Xikhelene vendors.

7.1 Policy recommendations

According to the empirical findings of this thesis, formalization in this case appeared not to be motivated by *empowering the poor* or by imposing a *pro-poor* policy as stressed by the CLEP (2008). The vendors at Maputo markets often benefit a lot from formalization, but this is motivated by the CMM's needs to regain control over the urban space. When formalizing informal markets, it is important to legally empower the vendors. This is not just in order to fight the problem of urban poverty, but also to conduct a successful formalization: As two thirds of the Xikhelene vendors had to leave as a consequence of formalization, they are likely to procure new, informal strategies to generate new income and so the informality is reproduced.

As suggested by both ILO (2006) and the CLEP (2008), participation of the subjects is a major solution for being able to impose a legal framework that works and that would be beneficial for the poor. One of the reasons why the resettlement of the Xikhelene vendors was unsuccessful, was that the RAP did not consider the systems on which the vendors depended, which are embedded at the very place of the market. Local participation might have been a valuable tool for maintaining such systems by providing information and through a process of negotiation. The RPF, which is discussed in sub chapter 6.2, is based on ideals of good governance and it is a good suggestion for a procedure that can be followed in order to conduct a strong participation strategy. Hence, the RPF or some similar framework adapted for conditions in Maputo should be made an *official* part of the CMM policy on marketplaces.

However, according to the RPF, true local participation demands a representative organization. In this case, the process of formalization deprived both the ASSOTSI and the Xikhelene market committee of their abilities to operate as representative organizations for the vendors. Consequently, one should be careful when co-opting or including the civil organizations as a formal part of the CMM structure. As they are representing the interests of informal actors, the organizations should thus be given the opportunity to operate informally, or they should be given some other incentives to be effectively representative. Changes of the way civil organizations function, their tasks, the aims of their leaders or their ability to represent their bases as a result of formalization, could be a topic for further research.

In the case of the reconstruction of the Praça dos Combatentes, the vendors did not know exactly what was happening and they had no information which could have proved favourable to their ability to influence the process. For a successful participation strategy, both vendors and the representative organizations need access to information which may prove favourable to their cause.

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Appendix

List of interviews and conversations

Key informants

A1	27.07.2009	Interview with Ramos Vasconcelos Marrengula, President of the ASSOTSI. Transcribed
A2	06.08.2009	Interview with Bernardo Samussone Matsinhe, Spokesman of the Xikhelene market-committee. Transcribed
A3	21.08.2009	Interview with Carlos Nelson Quibe, Head of the Municipal Directorate for Markets and Fairs. Transcribed
A4	20.08.2009	Conversation with a Chefe de Quarteirão in the Bairro Polana Caniço “B”. Summarized
A5	20.08.2009	Conversation with Secretário do Bairro, Polana Caniço “B”. Summarized
A6	01.09.2009	Interview with Luís Nhaca, Councillor of the Municipal Department for Urbanization and Planning. Transcribed
A7	04.09.2009	Follow-up interview with Bernardo Samussone Matsinhe, Spokesman of the Xikhelene market-committee. Transcribed
A8	25.09.2009	Conversation with Spokesman for the 1. de Junho market-committee. Summarized
A9	17.09.2009	Follow-up interview with Ramos Vasconcelos Marrengula, President of the ASSOTSI. Summarized

Other

B1	05.08.2009	Conversation with António Francisco, professor at the IESE, Maputo. Transcribed
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Xikhelene Vendors

C1	06.08.2009	Woman 40, vending poultry. Transcribed
C2	10.08.2009	Woman 44, barraca-owner. Transcribed
C3	11.08.2009	Woman 40, vending clothes. Transcribed
C4	19.08.2009	Man 64, owner of storerooms. Summarized
C5	19.08.2009	Man, vending groceries. Summarized
C6	11.09.2009	Man, young, vending clothes. Summarized
C7	07.08.2009	Woman 46, vending rice, beans and sugar. Summarized

C8	07.08.2009	Woman, vending clothes. Summarized
C9	19.08.2009	Woman 38, vending capulanas. Transcribed
C10	21.08.2009	Man, young, tailor. Transcribed
C11	25.08.2009	Man 21, vending groceries. Transcribed
C12	25.08.2009	Woman 48, barraca-owner. Transcribed
C13	19.08.2009	Three young men, tailors. Summarized
C14	26.08.2009	Man 27, vending clothes. Summarized
C15	31.08.2009	Woman, barraca-owner. Transcribed
C16	01.09.2009	Woman, young, vending second hand clothes. Transcribed
C17	09.09.2009	Woman, vending meat. Transcribed
C18	03.09.2009	Man, young, vending electrical equipment. Transcribed
C19	03.09.2009	Man, young, vending equipment. Transcribed
C20	21.08.2009	Man, vending candy. Summarized
C21	02.09.2009	Man 21, vending fish. Transcribed
C22	02.09.2009	Man, vending soft-drinks. Summarized
C23	01.09.2009	Two men, hairdressers. Summarized
C24	02.09.2009	Man, vending groceries. Summarized
C25	08.09.2009	Man 27, vending DVDs. Summarized
C26	24.09.2009	Young woman, vending poultry. Summarized
C27	08.09.2009	Man 34, hairdresser. Summarized
C28	09.09.2009	Man 32, owner of barraca with hardware and equipment. Summarized
C29	11.09.2009	Man, employee in barraca, vending motor-parts. Summarized
C30	15.09.2009	Two young men, employees in barraca, vending motor-parts. Summarized

Neighbours

D1	23.09.2009	Woman, owner of a barraca. Transcribed
D2	20.09.2009	Woman and man, building and selling furniture. Summarized
D3	25.09.2009	Man, owner of a grocery store, former Xikhelene vendor. Transcribed

Interview guides

Interview guide for vendors

- 1) How is life, working here at the Xikhelene market?
- 2) Why did you choose the Xikhelene?
 1. When did you start vending here?
 2. How do you earn money here in comparison to other markets?
 3. Why do you not work at another market or as an ambulant vendor?
- 3) What are you vending?
 1. How do you acquire the articles?
 2. How much surplus do you earn?
- 4) How did the current reconstruction affect your work?
 1. How is it different now, compared to before the reconstruction?
 2. Why did you not move to another place?
 3. Why did the authorities initiate this reconstruction?
- 5) Have you or some other vendor lamented to the committee or someone else about the reconstruction?
 1. Generally, what was the vendors' reaction?
- 6) How is your contact with the market committee, the ASSOTSI, The COMUTRA or other organizations?
- 7) What do the committee do to defend your interests?
 1. What is the committee's role?
 2. What did they do to defend your interests during the resettlement?
- 8) Name, age? Are you married? How many kids do you have? Where do you live? Do you have some other occupation?

Interview with the ASSOTSI

- 1) What is your name?
- 2) What is the ASSOTSI?
- 3) How does the ASSOTSI work?
 1. How is your collaboration with other entities, such as other organizations and municipal departments?
 2. How does the ASSOTSI treat the question of informal vending?
- 4) How does the law treat informal vending?
 1. How do you communicate with informal vendors?
 2. How do you defend the vendors' interests?
- 5) What is the problem of infra-structure at the Xikhelene?
- 6) What was the vendors' reaction to the reconstruction at the Xikhelene?
 1. How did you defend their interests?
 2. What will be built at the Praça dos Combatentes now?
- 7) How will you define the term “informal”?

Interview with the Xikhelene market committee

- 1) What is your name.
 1. For how long have you worked with the market organization?
 2. What did you do before?

- 2) What is the role of this organization?
- 3) How is the Xikhelene organized in accordance to laws and rules?
 1. Do you pay fees or taxes to the municipality?
- 4) Why is it so much informal street trade in Maputo?
 1. Why do people not work in stores? What does the street trade offer, which stores cannot?
 2. Why did this market grow up right here?
- 5) How is the situation at the market right now?
 1. How the vendors react to this reconstruction?
 2. What did the organization do?
 3. What will the municipality do for the vendors who lost market stalls?
 4. Did you discuss this with the ASSOTSI?
- 6) Generally, how is your relation to the municipality?
- 7) How is your relation to the ASSOTSI?

Follow-up interview with the ASSOTSI and the Xikhelene market committee

- 1) I am studying the process of decision making in advance of the reconstruction of the Praça dos Combatentes and the transference of vendors. I have the impression that you participated in the meetings that took place and that the committee/ASSOTSI played a crucial role in the process?
 1. How many meetings took place?
 2. Why was it necessary to conduct so many meetings?
 3. What happened at the meetings?
 4. What operators participated in the meetings?
- 2) What was the municipality's agenda in these meetings?
- 3) What was the role and agenda of this organization?
 1. It looks like the committee/ASSOTSI was responsible for the reconstruction taking place without conflict with the vendors. How did the municipality communicate this to you?
- 4) How did you negotiate/resolve the situation with the vendors who ended up without a place to vend?
 1. How did the municipality consider this?
- 5) Do you know why they need a collective transport terminal right there?
- 6) It seems that the municipality's attitude towards the informal vending has changed a lot since the 1980s and 90s. They have become less antagonistic towards it. How did this organization play a role in negotiation concerning this development?
- 7) Do you have any written sources that documents the organizations connection to the municipality?

Interview guide for CMM officials

- I am writing a master thesis about political processes concerning the current reconstruction of the Praça dos Combatentes and the market that is situated there.

- 1) Generally, what is the role of this department?
- 2) Generally, how do you communicate with the other departments and operators?
- 3) Now, it is a reconstruction of the Av. Julius Nyerere going on, which will affect the Xikhelene market. Why are they doing that reconstruction?
 1. More broadly speaking, what is the role of this reconstruction in the urban plan?
 2. What will be build at the Praça dos Combatentes in that site were the market used to be?
 3. What has the role of this department been in this process?
- 4) How is the legal status of the informal markets in Maputo?
 1. What is the legal status of the Xikhelene?
 2. It looks like that the municipality has conducted various strategies to govern the markets. How is the municipality's current attitude towards these markets?
 3. What is the difference between the current mayor and the one before the 2008 election in this

matter?

- 5) What was the vendors' reaction to the demolition of the Xikhelene?
 1. What did you do avoid conflict with the vendors?
- 6) (For the DMMF) How is your cooperation with the ASSOTSI?
 1. What was the role of the ASSOTSI in the decision making concerning the Xikhelene reconstruction and transfer of vendors?
 2. How did the vendors participate in this process?
- 7) How do you define the term “informal sector”?

Interview guide for neighbours

- 1) How is it to live here, close to the Xikhelene market?
- 2) How do you use the market?
 1. What products do you buy there?
 2. Do you know any people there? - How do you collaborate with them?
- 3) Tell me about your own commercial activities! (if you have one)
 1. Do you somehow use the Xikhelene in your activity? How?
 2. How is it important?
- 4) Does the market create any problems for you?
- 5) What do you think about the reconstruction that take place there right now?

